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AUTHOR Stommes, Eileen S.; Byrne, Robert J.

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ABSTRACT

A study of two rural New York counties--Cortland and Otsego--was undertaken to identify innovative ways to provide public passenger transportation services in rural areas by using transportation cooperatives. Information about current transportation services was obtained from staff members of the human service agencies and county government officials in the study counties. Additional data were obtained from the 1980 Census of Housing and Population and the New York State Department of Transportation. Data indicated that in both counties direct transportation costs were substantial, indirect costs in staff time were also significant, and many transportation needs were unmet. According to agency representatives in the study counties, the cooperative is an acceptable form of organization to facilitate interagency coordination. Cooperative alternatives could be responsible for clearinghouse functions, administrative activities, vehicle maintenance and repair, and fleet purchase. Cooperative organizations could be sponsored by the agencies themselves, by a service club, or by a combination of both. There is considerable potential for coordinating passenger transportation services with rural postal delivery routes. A demonstration project for the two-county study areas is recommended to determine the best type of transportation cooperative for the area and the feasibility of using rural postal service routes. (JHZ)

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USING COOPERATIVES TO TRANSPORT RURAL PASSENGERS

A Study Conducted By:
New York State Department of
Agriculture and Markets

October 1984

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SUMMARY

The Office of Transportation, USDA, with funding by the Office of Service and Methods Demonstration, Urban Mass Transportation Administration, USDOT, requested this study to identify innovative ways to provide public passenger transportation services in rural areas utilizing transportation cooperatives or associations.

Rural passenger transportation in New York has largely been provided throughout the state on an as-needed basis by local human service agencies meeting specialized client needs. Additional transit systems established with State capital and operating assistance, UMTA Section 3 funds and FHWA Section 147 demonstration funds also provide service in some rural areas.

The inability of many rural residents to obtain transportation necessary for employment and health services, combined with possible reductions in federal program funding, requires an examination of available transportation options and exploration of new methods.

Two representative rural counties were selected for study - Cortland and Otsego, based on a transportation disadvantaged measure and transportation need index developed for the study.

Study data were obtained from staff members of the human services agencies and county government officials in the study counties. Secondary data were obtained largely from the 1980 Census of Housing and Population and the New York State Department of Transportation.

The cooperative is an acceptable form of organization to facilitate inter-agency coordination according to agency representatives in the two study counties.

Cooperative membership would consist of (1) public and private agency transportation providers, including organizations that own and operate vehicles and those that provide client transportation through purchase of service agreements, and (2) other organizations serving clients with unmet transportation needs.

Cooperative alternatives explored in the study include several to coordinate selected transportation related activities of human service agencies, namely: clearinghouse functions, administrative activities, vehicle maintenance and repair, and fleet purchase. Cooperative organizations that would coordinate all transportation activities of the human service agencies could be sponsored by the agencies themselves, by a service club, or by a combination of both.

There is considerable potential for meshing delivery routes of rural postal carriers with transportation needs of human service agencies in both study counties as a possible means of reducing costs for transporting both mail and passengers.

No statutory or regulatory barriers to coordinating passenger transportation services of human service agencies were identified by the study.

Based on study findings, we recommend that a follow-up, demonstration project be initiated in the two-county study area that would permit:

1. A determination of the type of cooperative that would best meet the current and unmet needs of the agencies in providing passenger transportation services for the disadvantaged,

2. An in-depth evaluation of what the authors believe would be the most desirable and effective cooperative -- a combined human service-service club association, and

3. A detailed evaluation and cost analysis of coordinating rural postal service routes with passenger service routes to determine service potential and cost effectiveness.

USING COOPERATIVES TO TRANSPORT RURAL PASSENGERS

by

Eileen S. Stommes*
and
Robert J. Byrne**

The Office of Transportation, United States Department of Agriculture (USDA) requested the New York State Department of Agriculture and Markets (NYSDA&M) to respond to a study proposal on passenger transportation in rural areas. The USDA study request cited previous NYSDA&M work on a USDA funded project to test whether rural transportation services could be improved by forming and utilizing rural transportation cooperatives or associations.

As stated in the USDA study request "The Office of Service and Methods Demonstration (SMD), of the Urban Mass Transportation Administration, USDOT, seeks to identify and test innovative ways to provide public passenger transportation services in rural environments. SMD, in cooperation with the Office of Transportation, USDA is interested in adding a passenger movement dimension to the New York freight transportation cooperative study currently underway."

*Rural Development Specialist, NYS Department of Agriculture and Markets, Division of Rural Resources and Development, Albany, NY

**Consultant, Transportation and Distribution, NYS Department of Agriculture and Markets, Division of Rural Resources and Development, Albany, NY

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Appreciation is expressed to Judith Kuba, Transit Division, New York State Department of Transportation for her assistance during all phases of the study; to David Blazer, New York Department of Agriculture and Markets for preparing the maps used in this report; and to various staff members of the human service agencies in Cortland and Otsego Counties who provided the information on which much of this study is based.

Funding for the study was provided by SMD through the Office of Transportation, USDA. NYSDA&M, with assistance from New York State Department of Transportation (NYSDOT), Transit Division staff began work on the project in March, 1983.

STUDY OBJECTIVES

The overall objective of the study, according to USDA was "to assess the potential of cooperative associations or other innovative methods for providing cost-effective rural passenger transportation." Based on this and other clarifying statements from USDA, we developed the following more detailed objective.

The primary objective of the NYSDA&M project is to evaluate the feasibility of applying the concept of a "cooperative type organization" to the problems of passenger transportation in rural areas in order to:

1. Provide transportation for those people who now lack adequate means of transport, and
2. Identify alternative methods of providing rural passenger transportation without the use of new Federal capital or operating funds.

To meet study objectives, the following passenger service alternatives were evaluated in selected counties of the State to determine their feasibility and adaptability:

- Using vehicles for a combination of freight/passenger transportation;
- Using new or existing cooperatives to provide passenger transportation; and
- Determining the possibility of coordinating use of existing private or public vehicles and resources.

BACKGROUND

New York State's existing rural passenger transportation systems and needs form the base for weighing future needs and evaluating potentials for alternative systems. A brief description is included here to assist the reader in measuring the feasibility of alternative systems discussed later in this report with systems now used in the State.

General

The rural population requires transportation as a means of access for work, shopping, health care, and recreation. While both urban and rural people depend on the automobile to travel to work, rural residents are more heavily dependent on private cars to commute to work: 80-90 percent depend on private cars to get to work, with only one (1) percent using public transportation. By contrast, 12 percent of urban workers use public transportation.

Further, rural residents need transportation to obtain health and medical services, as well as to utilize educational and recreational programs which are primarily concentrated in urban areas. Data indicate that rural people travel longer distances for medical care: 20 percent of rural residents travel more than a half hour for medical care while only 10 percent of urban residents were more than a half hour from medical care.

Yet a sizable proportion of rural households, including the poor, the elderly, and the disabled, do not own an automobile. Fifteen percent of rural households, 57 percent of the rural poor, and 45 percent of the rural aged do not own an automobile. Fifty-two percent of rural residents own one car, a statistic that means the household is left with no transportation when the car is used for work and other related trips.

Intercity bus service in rural areas is declining. In the late 1970's, only forty-two percent of places with populations under 10,000 were served by intercity bus service while about half the towns with populations up to 50,000 were on intercity lines. Since 1972, 1800 small towns have lost intercity bus service.

Bus Regulatory Reform

The recent passage of the Bus Regulatory Reform Act of 1982 has begun to affect intercity bus routes in more isolated rural areas. By facilitating a carriers' ability to reduce less profitable routes, the Act could adversely affect bus service in sparsely populated areas.

In New York, a State Assistance Program amended in 1982 authorizes NYSDOT to provide direct aid to intercity carriers to preserve essential services and to initiate new services for communities over 2,500. Although a major motor carrier petitioned to discontinue service to 37 communities, pursuant to the Federal bus deregulation Act, NYSDOT was able to maintain existing service levels through the State Assistance Program.

Service has been added by several motor carriers to 16 New York communities not formerly served by bus routes. Two communities with a combined population of less than 1,000 have lost direct service.

As shown in table 1, four of the eight northeastern states have been affected to some degree since the Bus Regulatory Reform Act was enacted on November 19, 1982. Two states have been particularly affected: Maine has lost intercity bus service to 18 communities, with Connecticut losing service in 11 communities.

New York State

Rural passenger transportation in New York has largely been provided throughout the state on an as-needed basis by local human service agencies meeting specialized client needs. When rural agencies began to realize that clients without transportation could not access their services, they initiated transportation to bring the client to the service or the service to the client. Since the problem was defined on an individual basis by local human

Table 1 - Impact of Bus Deregulation on the Northeastern States
By Community Size and Type of Impact [1/]

Community Size and Type of Impact	Connecticut	Maine	New York	Vermont
	- Number of Communities -			
- Under 5,000 people				
Intercity service reduced by 50% or more		2		
Lost all service	1	11	2	1
Received replacement service			2	
Gained new service			2	
- 5,001 to 25,000				
Intercity service reduced by 50% or more		4		
Lost all service	4	1		
Received replacement service				
Gained new service				
- 25,001 to 50,000				
Intercity service reduced by 50% or more				
Lost all service	4			
Received replacement service				
Gained new service			1	
- Over 50,000				
Intercity service reduced by 50% or more	1			
Lost all service	1			
Received replacement service				
Gained new service				
TOTAL	11	18	7	1

Source: Statement for Submittal to the Subcommittee on Surface Transportation, Senate Committee on Commerce, Science and Transportation Relating to Oversight of the Bus Regulatory Reform Act of 1982, Francis B. Francois, Nov. 1, 1983.

1/ Pennsylvania currently has 22 communities with pending applications for termination of service.

service agencies, specialized rural transportation services were likewise provided on an individual basis as part of a service package.

While the total amount expended by each human service program in New York has not been calculated, a 1973 study of special transit services for human service agencies estimated the cost between $80 and $100 million a year. In 1981, the Office for the Aging projected an annual expenditure of over $800,000 for transportation in 30 rural counties of the state. A study conducted by the Institute for Public Transportation listed over 110 programs in the state currently provided by state and federal agencies to finance transportation sevices for the elderly, the handicapped, the poor, and youth.

Public transportation information on air, rail and bus schedules allows estimates of transportation availability. However, the state lacks a comprehensive study which evaluates transportation resources available to rural residents.

State Service Plan

One document that begins a comprehensive assessment of county transportation resources is the Service Plan required by the New York State Department of Transportation as a condition for obtaining funding under Section 18 of the Surface Transportation Act of 1978, a formula grant program for public transportation in areas other than urbanized areas. The application for funding outlines rural transportation need and lists transportation services provided by all groups or agencies within the county.

What becomes evident upon review of the county plans is the localized nature of much rural transportation need. For example, intercity bus routes connect the larger rural centers, but rural residents living off the bus routes without private transportation may not be able to travel to the nearest bus stop. Further, isolated rural areas bypassed by bus systems may lack any public transportation. Specialized transportation services provided by human service agencies give certain rural residents the necessary access to needed amenities.

The continued inability of many rural residents to obtain the transportation necessary for employment, shopping and medical care, in combination with possible reduction in federal program funding, requires a fresh examination of available transportation options as well as an exploration of new mechanisms to restructure more traditional transportation approaches.

PLANNING AND SELECTING THE STUDY AREA

Beginning with the planning process, NYSDA&M study staff coordinated its activities closely with staff of NYSDOT, drawing on their expertise and knowledge of state and local transportation programs and resources. Based on discussions between the two agency staffs, a review of available information on rural passenger transportation, and considering financial and personnel resources available for the project, it was evident that a statewide study would not be feasible.

It was determined that two representative rural counties in the state would be selected for detailed study. The county was chosen as the geographic study unit for several reasons. The county is a jurisdictional unit for which a range of data are collected, most importantly; the population census, economic information, and human services information.

Many state agencies are organized on a county basis, as are many private organizations. The geographic area of a county is likely to provide a mix of passenger needs which could form a viable base for a transportation cooperative. Selection of a county as the geographic unit does not preclude work on a group of counties or selected areas within a county after the initial phase of data collection.

As this study is designed to develop a model or a conceptual approach for use in rural areas nationally, the selection process required the use of criteria that could be applied in a variety of rural settings. Major steps included developing a method for selecting the counties, determining data needed for selection, and evaluating how representative the specific counties chosen for study would be.

Criteria Used

The following broad criteria were used to select the counties for study. Selected counties should have:

- a large rural population;
- a demonstrated need for passenger mobility;

. centers of trade and commerce;

. a current transportation network.

The county selection process took place in four stages. The first stage called for the elimination of strictly urban counties.

Transportation Disadvantaged Measure

A transportation disadvantaged measure was developed using the type of information shown in table 2. One of the counties later chosen for study, Cortland County, is used as an example in the table.

Using this methodology, a transportation disadvantaged calculation was made for each of the state's rural counties.

Transportation Need Index

The second measure, a transportation need index, was derived by assigning weights to the following factors:[1]

1.5 times the percent of households with 0 + 1 vehicle:

1.25 times the percent of population in poverty:

.85 times the percent of the population in 125% of poverty:

.75 times the percent of the population 65 and over:

.6 times the percent of the workforce employed out of the county:

.5 times the percent of the workforce whose travel time to

[1] Ira Kaye, Transportation Specialist, developed the transportation need index described here and used in this section of the study.

Table 2 - Transportation Disadvantaged Measure,[1/] Cortland County

Type	Population Number	Percent
1) County	48,200	-
2) Non-urbanized	48,200	-
3) Over 65:		
above the poverty level	4,451	9
below the poverty level	609	1
4) Handicapped, between 16-64 yrs old		
In labor force	985	
Not in labor force	1,381	
5) Below the poverty level (ages 16-64)	4,592	20
6) Correction for double counting handicapped who are also under the poverty level		
.17 x persons 16-64 who are disabled or handicapped	402	
7) Under the poverty level, not disabled or handicapped (5-6)	4,190	8.5
Total potential transportation disadvantaged (add 3, 4 and 7) [1]	11,616	24

Source: Data shown in this and following tables and figures in this section of the report were obtained from the 1980 Census of Population and Housing.

1/ Based on a revision of a calculation used by NYSDOT to determine transportation need for the Section 18 program.

2/ Does not include youth below age 16.

work exceeds 45 minutes:

.4 times the percent of the workforce who travel alone by auto to work:

.25 times the percent of the workforce who travel to work by car pool:

.25 times the percent of the workforce who travel by public transportation.

The index was developed by a transportation specialist with extensive field experience in rural transportation and was designed to determine the potential market for rural passenger transportation. The index was then reviewed and adopted by study staff.

Single vehicle households, poverty level families and the elderly are groups likely to lack transportation while the remainder of the variables measure groups providing a potential dues paying population if a transportation cooperative were to be formed. Rural households with one car are likely to be without transportation during the work day as the principal wage earner uses the car during that time. Those 65 and over are less likely to own a car than the general population and if they own a car, are less likely to drive because of health problems.

Those in poverty as well as those just above the poverty level represent a population with few transportation choices and are more likely to be users of a fare collecting transportation system. Individuals in the work force repre-

sent a potential market for paid transportation services and in fact, present a challenge to the creation of a system competitive with the private automobile.

Counties Selected for Study

While the measures of transportation need utilized thus far indicate transportation need as measured by population data, they do not provide any information on the transportation systems currently serving those populations. A necessary component of transportation need assessment is a reasonably accurate inventory of the transportation services currently available to the rural population. For localities interested in assessing adequacy of transportation services, an accounting of intercity bus routes, school routes, taxi service, and social service agencies' transportation services is necessary.

Since the NYSDA&M study team cooperated with NYSDOT as the primary transportation resource, we requested their review of a preliminary selection of counties. This review eliminated several counties as already having adequate service or as being in the process of initiating a rural passenger transportation project. Schuyler and Cortland, both rural counties, were added as having active local interest in providing rural passenger transportation, as well as ranking high in the transportation need index.

Each of the remaining counties was then further evaluated using information contained in the service plans required by NYSDOT of counties applying

for Section 18 funding. Several additional counties were eliminated as having too small a total population or as not being a representative rural county according to the selection criteria.

Two counties were finally selected as study counties: Cortland and Otsego. Location of the two counties in the state is shown in figure 1. Yates and Sullivan were selected as back-up counties should unforseen difficulties prevent working in the primary selected counties. Figures 2 and 3 show each county with town boundaries indicated.[2]

CONDUCTING THE STUDY

The study was conducted in three phases. The first phase describes county demographic characteristics, transportation needs and transportation resources based on secondary data sources.

The second phase involved field trips to the various transportation providers in the two counties to obtain more detail on the specific transportation needs of each provider. In order to collect comparable data on each provider, a survey questionnaire was used by project staff when visiting county organizations.

The third phase included analysis of the questionnaire data as well as secondary data to determine unmet transportation needs and potential for developing a cooperative arrangement to meet those needs. It also included follow-up visits to the two counties to obtain feedback on the study analysis.

[2] The term "town" is used here and hereafter in the report is equivalent to "township" in many states other than New York.

Figure 1 - Location of Study Counties in New York State

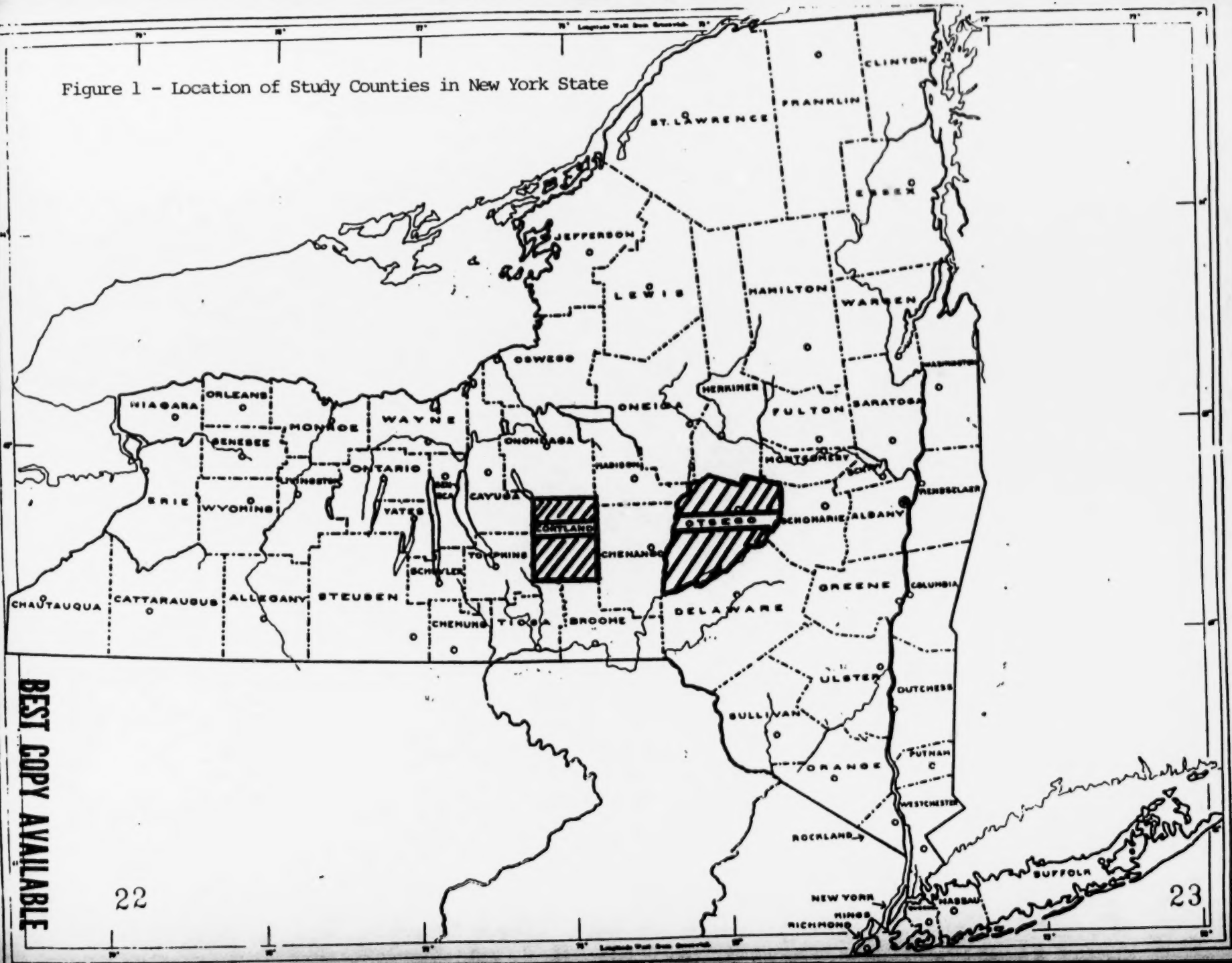

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Figure: 2 - Cortland County, New York

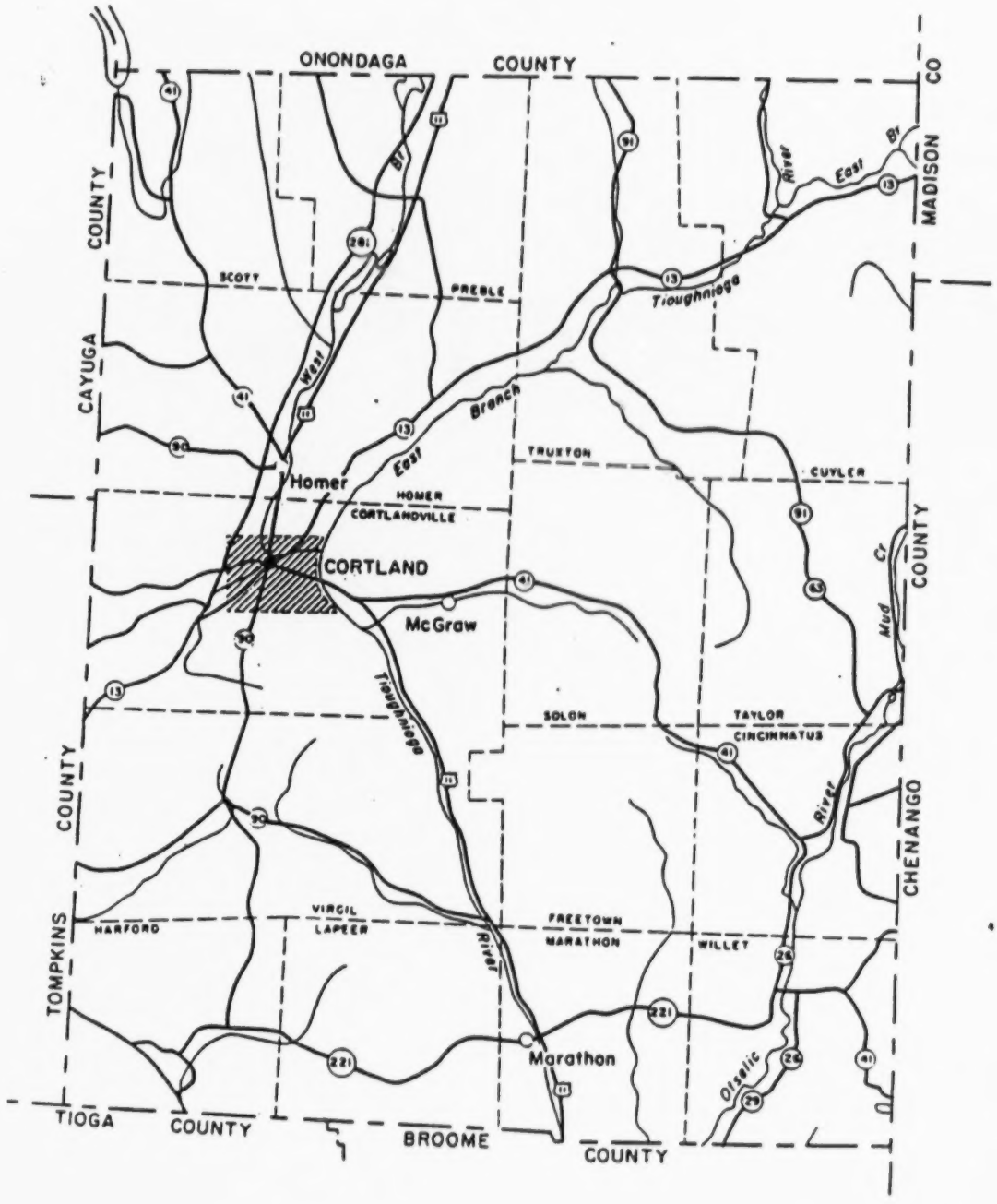

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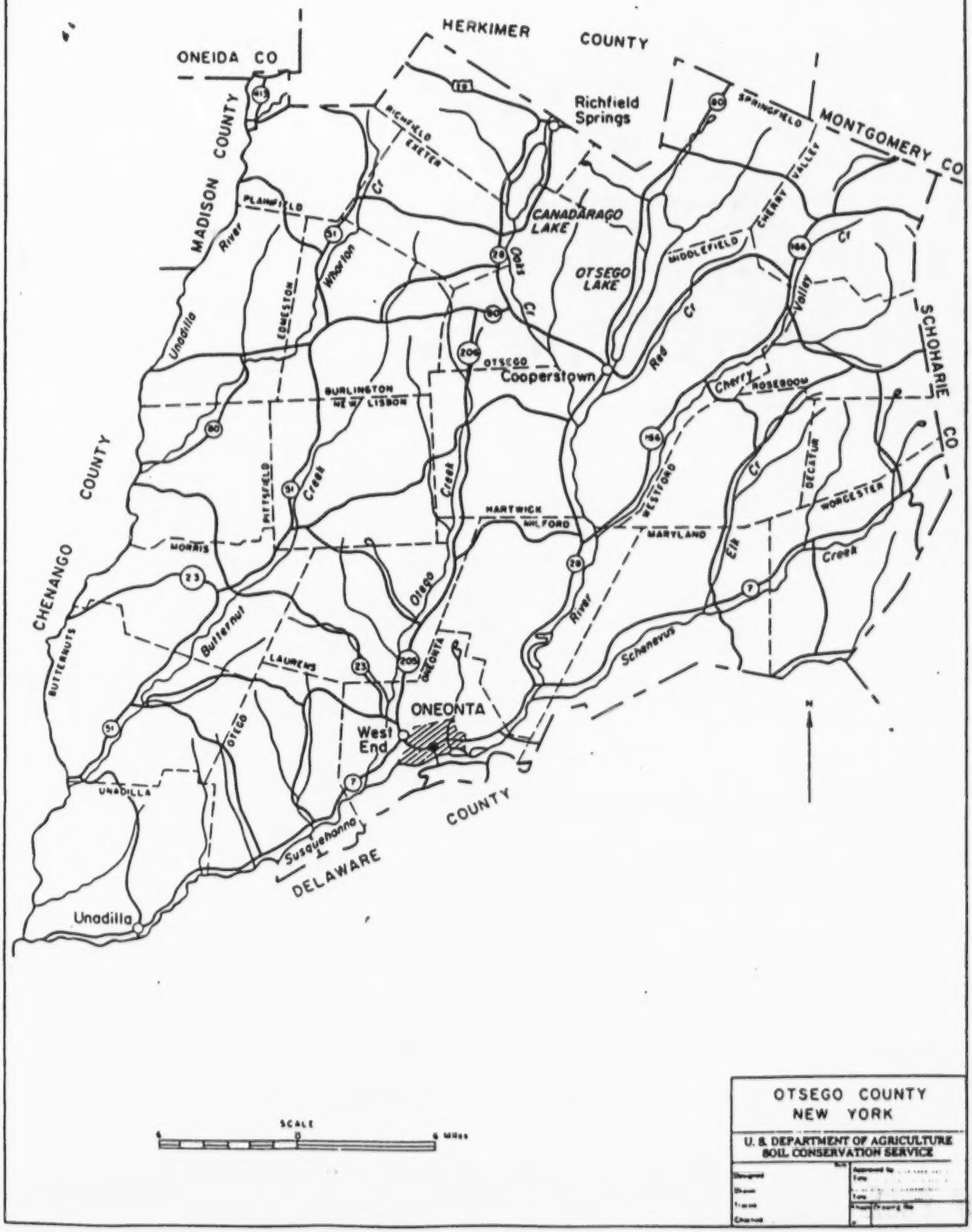
Figure 3 - Otsego County, New York



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Secondary Data Review

A primary consideration in selecting data sources was availability and reliability of information. The first source was the Census of Housing and Population. Should a county wish to assemble data to describe transportation need, it would not be necessary to conduct an extensive survey. Rather, use of census data could outline in sufficient detail the size of population groups possibly needing transportation as well as the location of those groups within the county. The 1980 Census of Population and Housing was also used in further analysis.

However, to provide information in sufficient detail for planning purposes, town level data were needed. Since the printed census volumes no longer publish data at the town level, it was necessary to obtain a microfiche copy of the census data for New York which includes town-level data.

Other secondary data sources included previously conducted studies of the counties, county maps, bus routes/maps. The county planning office proved to be a useful source of current information. Community councils provided listings of human service and not-for-profit organizations that were useful in selecting major transportation providers for interviews.

The NYSDOT was an invaluable source of information on the current transportation situation in each county. Since they had required each applicant for the Section 18 program to file a service plan detailing current pro-

viders, number of vehicles and transportation need as well as a plan for the use of Section 18 funding, each county had a recent update on transportation resources and need.

To more fully outline total county resources, NYSDOT staff compiled a list of the school buses and their routes in each county. As several of the districts leased rather than owned buses, details of the various methods of providing school transportation were outlined.

In analyzing the secondary data, the information sorted itself into two categories. The demographic information obtained primarily from the 1980 Census of Population and Housing provided a profile of transportation need, while the NYSDOT Section 18 service plans detailed available public and private transportation resources. The following statement summarizes this information for each study county.

Cortland County

Cortland County, with a population of 48,820, is defined by the census as "rural". Its county seat and largest city is the City of Cortland, located in the Western Central section of the county.

The City of Cortland has a population of 20,138, which together with the town of Cortlandville, has a total population of 28,435, well over half the total county population.

As shown in table 3, the towns of Homer and Virgil which lie north and south of Cortland, are the two other most densely populated towns. Except for the town of Marathon, the more "urban" towns of Cortland, Homer and Virgil have the most households with zero or one car. The three more populated towns also have higher populations of people over the age of 65 and higher concentrations of handicapped people.

Although a larger proportion of the population potentially needing transportation is located in the more heavily settled towns, the total of such population living in the more rural towns represents approximately 40 percent of the total county population.

A graphic representation is given by figures 4, 5, and 6 which illustrate county population, persons over 65 and households with zero to 1 car. Comparing the maps indicates that the towns of Cincinnatus and Marathon have higher elderly populations as well as a relatively high number of households with zero or one car.

Table 4 shows the calculation, by town, of a transportation disadvantaged measure. The worksheet illustrates how the measure was derived. It can be seen that the calculation is very sensitive to the percentage of elderly above poverty.

It should also be noted that the poverty measure is based on a sample and therefore represents an estimate of that population. In calculating percent below poverty at the town level, it was observed that the population

Table 3 - Demographic Indicators
of Transportation Need by Town, Cortland County, 1980

Town	Population	Persons Over 65	Households with 0-1 Car	Handicapped Persons
		- Number -		
Cincinnatus	1151	191	201	43
Cortlandville	8297	772	1235	150
Cuyler	846	76	101	11
Freetown	569	63	80	4
Harford	855	63	93	16
Homer	6601	716	979	147
Lapeer	576	47	69	9
Marathon	1815	194	287	55
Preble	1637	121	231	15
Scott	1193	65	148	19
Solon	865	45	106	16
Taylor	484	50	67	7
Truxton	988	104	113	38
Virgil	2069	142	195	37
Willet	736	62	98	7

Figure 4 - Cortland County Population, by Town, 1980

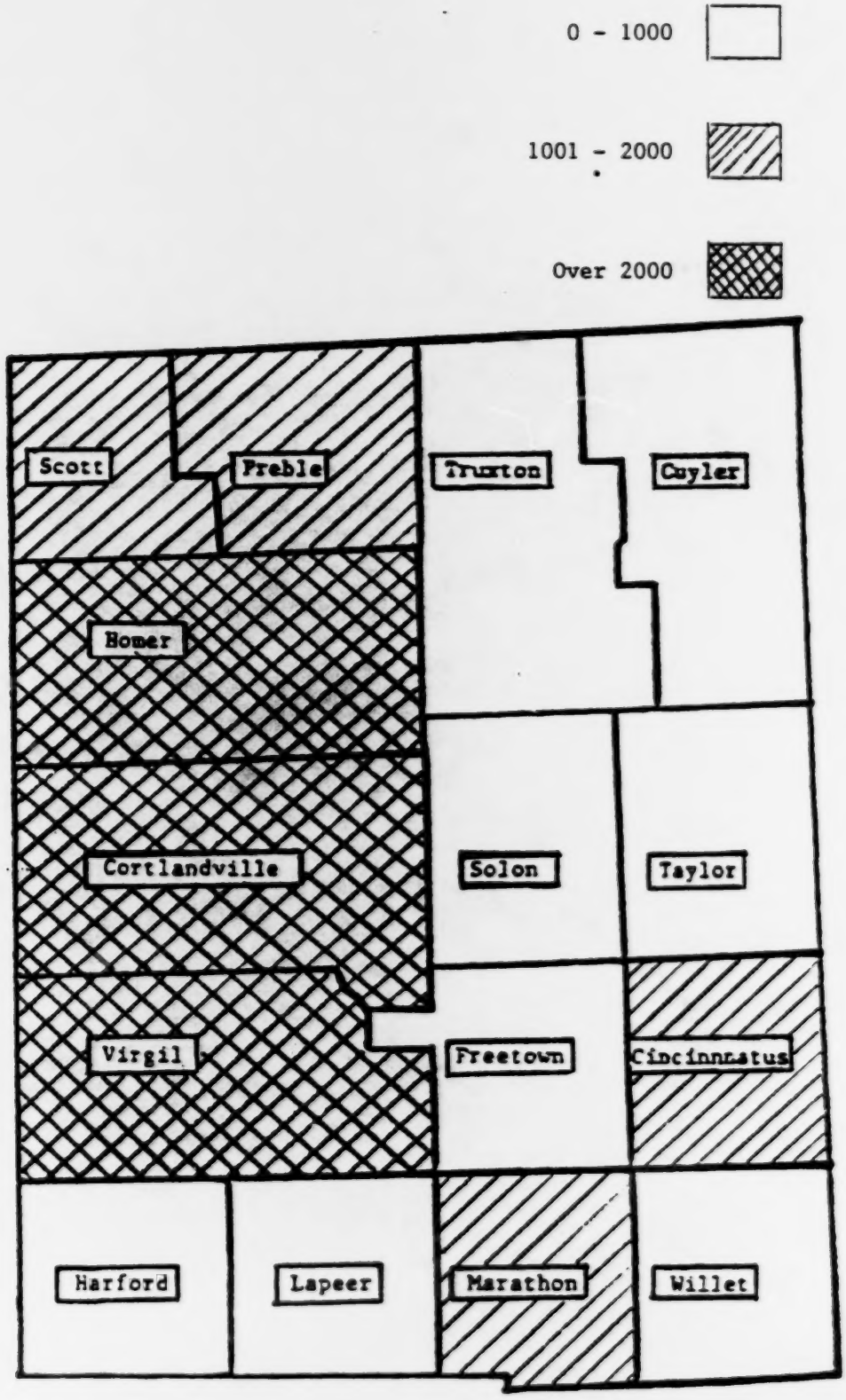

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Figure 5 - Cortland County Population Over 65, by Town, 1980

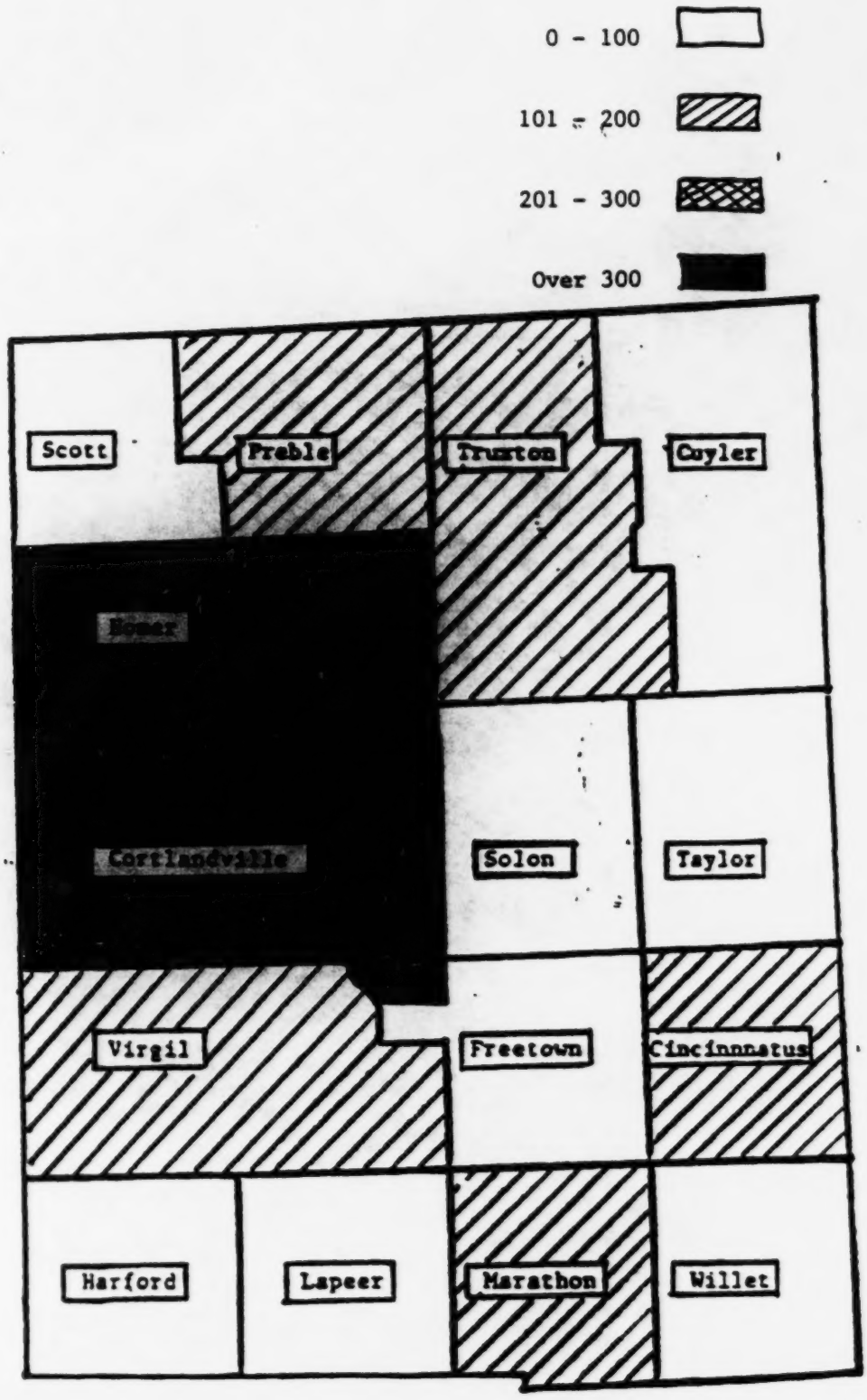

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Figure 6 - Cortland County Households With 0-1 Car, by Town, 1980

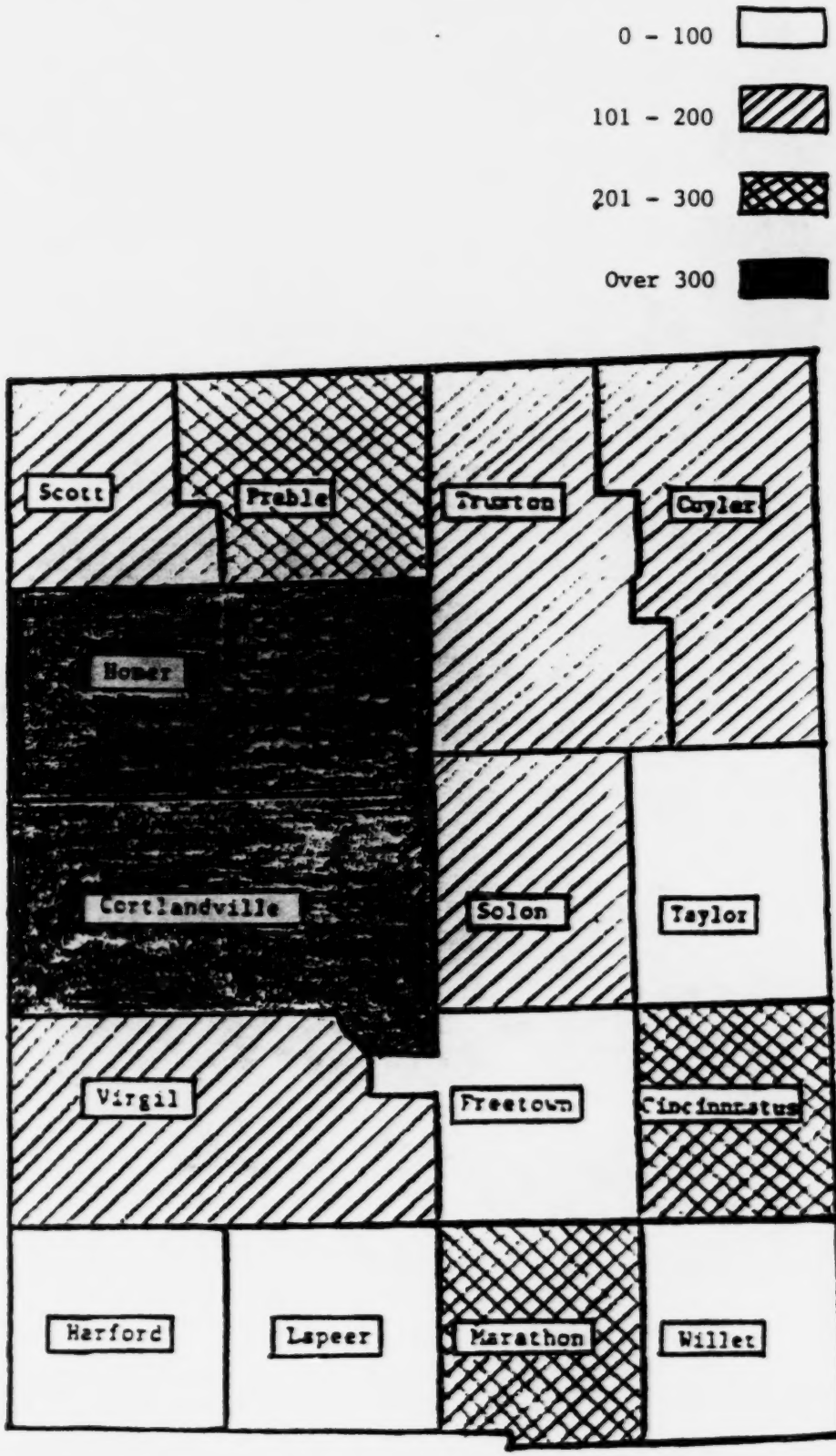

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Table 4 - Demographic Profile for the
Town of Marathon, Cortland County, 1980

1. Town population Marathon 1815

2. Elderly (65+) population above the poverty level

   Number 215 11.8 % (of total population)

   Elderly (65+) population below the poverty level

   Number 38 2 % (of total population)

3. Population 16-64 years old who are disabled or handicapped

   In labor force 53

   Not in labor force 44

4. a. Population below the poverty level (ages 16-64)

      Number 101 5.6 %

   b. Correction for double-counting of handicapped persons who are under the poverty level

      (.17) x (number of persons 16-64 who are disabled or handicapped)

      Number 16

   c. Population under the poverty level who are not disabled or handicapped (that is a-b)

      Number 85 4.6 %

5. Total Potential Transportation disadvantaged population (sum of 2, 3, and 4c)

   Number 435 23.9 %

   (does not include youth below age 16)

estimates tended to be higher than the population count. The result may be a slight overcount for the transportation disadvantaged measure.

Table 5 lists Cortland County transportation disadvantaged by town. In assessing need for transportation services, it is advisable to utilize absolute numbers as well as percentages to determine number of potential passengers by location.

For those who prefer to examine specific categories of transportation disadvantaged by location, table 3 provides demographic indicators by town for Cortland County. By adding persons across categories, a rough estimate of total transportation disadvantaged by town can be calculated for planning purposes.

The NYSDOT Section 18 Service plan gave the following list of transportation providers in Cortland County:

Cortland County Office for the Aging

J. M. Murray Center for the Handicapped

RSVP (Retired Senior Volunteer Program)

Special Children's Center (located in Tompkins County)

Department of Social Services

Community Action Program of Cortland County

Veteran's Service Agency

School Districts

Greyhound Lines

Taxi service based in Cortland

Table 5 - Transportation Disadvantaged Population, Cortland County, by Town, 1980

Town	Percent of Town Population	Number
Cincinnatus	36	417
Cortlandville	24	2021
Cuyler	28	238
Freetown	37	208
Harford	24	204
Homer	25	1653
Lapeer	23	135
Marathon	24	435
Preble	20	332
Scott	19	221
Solon	22	186
Taylor	30	147
Truxton	27	263
Virgil	20	418
Willet	29	212

Traffic flow, including commuters as well as the elderly, handicapped and general population is primarily to the more populated centers within the County: Cortland, Homer, Preble, and secondarily to the less populated centers of McGraw, Marathon, Harford and Truxton. Principal out-of-county destinations include Ithaca, Syracuse, Binghamton, and Norwich. More than 13 percent of the work force works out of the county and 58.5 percent of the work force commutes alone. Twenty-six percent of the workforce uses a carpool to get to work.

Public transportation is provided by Greyhound Bus Lines which operates 4 daily fixed routes through the county, along NYS 13 Elmira/Corning to Cortland via Ithaca, along US 11 from Cortland to Syracuse, along US 11 to Binghamton via Marathon and, along NYS 81 to Binghamton. A local intra-county 43 passenger bus serves Cortland, Homer and McGraw on a daily basis and offers a weekly trip to Ithaca. One taxi company operates ten-six passenger cabs out of Cortland on a demand responsive, (responding to calls by individuals for service) shared ride basis. It serves Cortland, Homer, Preble, McGraw and Marathon, and generally the entire county. Dead head (the empty leg of round trip) costs and per mile rates for travel in the rural towns are prohibitive.

Social service agencies provide client oriented transportation and reported receiving an estimated $175,640 earmarked for transportation from a variety of Federal and State sources in 1982-1983. Agencies providing transportation include the Cortland County Office of Aging for the elderly and the handicapped, the J.M. Murray Center for the Handicapped, RSVP and the

Special Children's Center located in Ithaca (Tompkins County). The Department of Social Services provides transportation for medical trips and other purposes mandated by law. The Community Action Program of Cortland County operates the Head Start Program for eligible children.

Each of the agencies receives funding to provide transportation from Federal, State and local sources and includes actual transportation of clients by agency personnel and/or contracting with a third party for those services.

The county is currently not a participant in the Federal Section 18 Program, although the county expressed considerable interest in the program when it was initially funded.

Otsego County

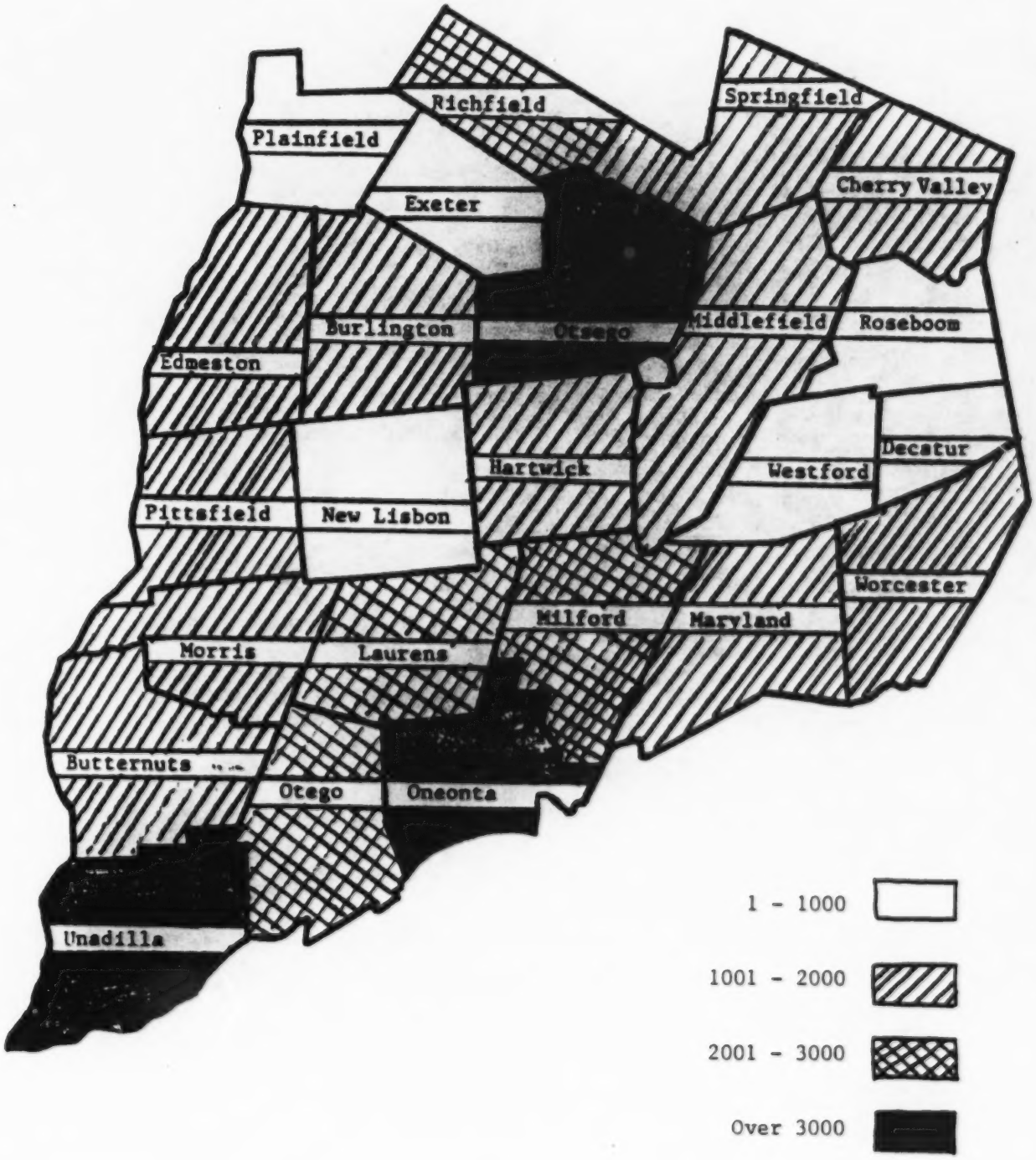
Otsego County, with a 1980 population of 59,075, is also defined by the Census as a rural county. It's largest urban center is Oneonta, located on the south-eastern edge of the county, while its county seat, Cooperstown, is located approximately 17 miles to the north of Oneonta. Oneonta and Cooperstown are the county's largest employment centers. Smaller population centers cluster along the Oneonta-Cooperstown corridor or along I88 which skirts the county's southeastern boundary. (See figure 3)

As shown in table 6, the heaviest population concentration is located in the towns of Oneonta, Unadilla and Otsego. The next largest populated towns are Laurens, Milford, Otego and Richfield. Figure 7 graphically shows that a

Table 6 - Demographic Indicators of
Transportation Need by Town, Otsego County, 1980

Town	Population	Persons Over 65	Households with 0-1 Car	Handicapped Persons
		- Number -		
Burlington	1,045	148	128	60
Butternut	1,486	205	209	57
Cherry Valley	1,226	205	211	65
Decatur	310	26	40	22
Edmeston	1,732	217	268	129
Exeter	997	116	160	61
Hartwick	1,834	291	333	87
Laurens	2,131	258	276	114
Maryland	1,689	286	290	91
Middlefield	1,882	429	293	93
Milford	2,647	405	484	110
Morris	1,780	243	295	75
New Lisbon	948	132	102	58
Oneonta	4,655	691	961	185
Otego	2,761	320	377	138
Otsego	3,958	818	961	137
Pittsfield	1,067	118	165	106
Plainfield	888	60	101	49
Richfield	2,567	429	449	149
Roseboom	622	92	111	29
Springfield	1,239	211	186	63
Unadilla	4,020	520	737	293
Westford	655	103	134	39
Worcester	1,993	379	407	115

Figure 7 - Otsego County Population, by Town, 1980



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potential transportation corridor lies in an L-shaped pattern from Richfield through Otsego to Oneonta, Otego and Unadilla, an area where approximately 40 percent of the total county population lives.

Table 7 shows transportation disadvantaged by town. The largest numbers are in the more urban towns, namely Oneonta, Milford, Otsego, Richfield, Unadilla and Worcester. The elderly are concentrated in the more populated towns. This can be seen in figure 8 which illustrates elderly by town. As shown in figure 9, those towns with the most households having zero or one car are essentially the same towns showing high numbers of transportation disadvantaged.

County traffic flows, which include commuters as well as the elderly, handicapped and general population, are to the in-county centers of Oneonta, Cooperstown and Milford. Out-of-county centers include Albany, Syracuse and Utica to the north, Binghamton to the south and Stamford and Kingston to the east.

Nineteen percent of the work force travels to out of county worksites, with 52 percent of the total work force commuting alone. Twenty-four percent of the work force commutes in a carpool.

Three inter-city bus lines provide public transportation to the county. Adirondack Trailways, on its Utica-New York City run, serves Exeter, Hartwick, Cooperstown, Milford, Oneonta, Richfield and Richfield Springs. Pine Hills Trailways serves Oneonta. Greyhound serves Maryland, Schenevus, Milford,

Table 7 - Transportation Disadvantaged Population, Otsego County, by Town, 1980

Town	Transportation Disadvantaged	
	Number	Percent
Burlington	364	35
Butternut	396	27
Cherry Valley	434	34
Decatur	99	32
Edmeston	612	35
Exeter	351	35
Hartwick	654	36
Laurens	615	29
Maryland	601	36
Middlefield	509	27
Milford	910	34
Morris	519	29
New Lisbon	353	37
Oneonta	1377	30
Otego	692	25
Otsego	1505	38
Pittsfield	412	39
Plainfield	211	24
Richfield	874	34
Roseboom	238	38
Springfield	423	34
Unadilla	1194	30
Westford	239	36
Worcester	865	43

Figure 8 - Otsego County Population Over 65, by Town, 1980

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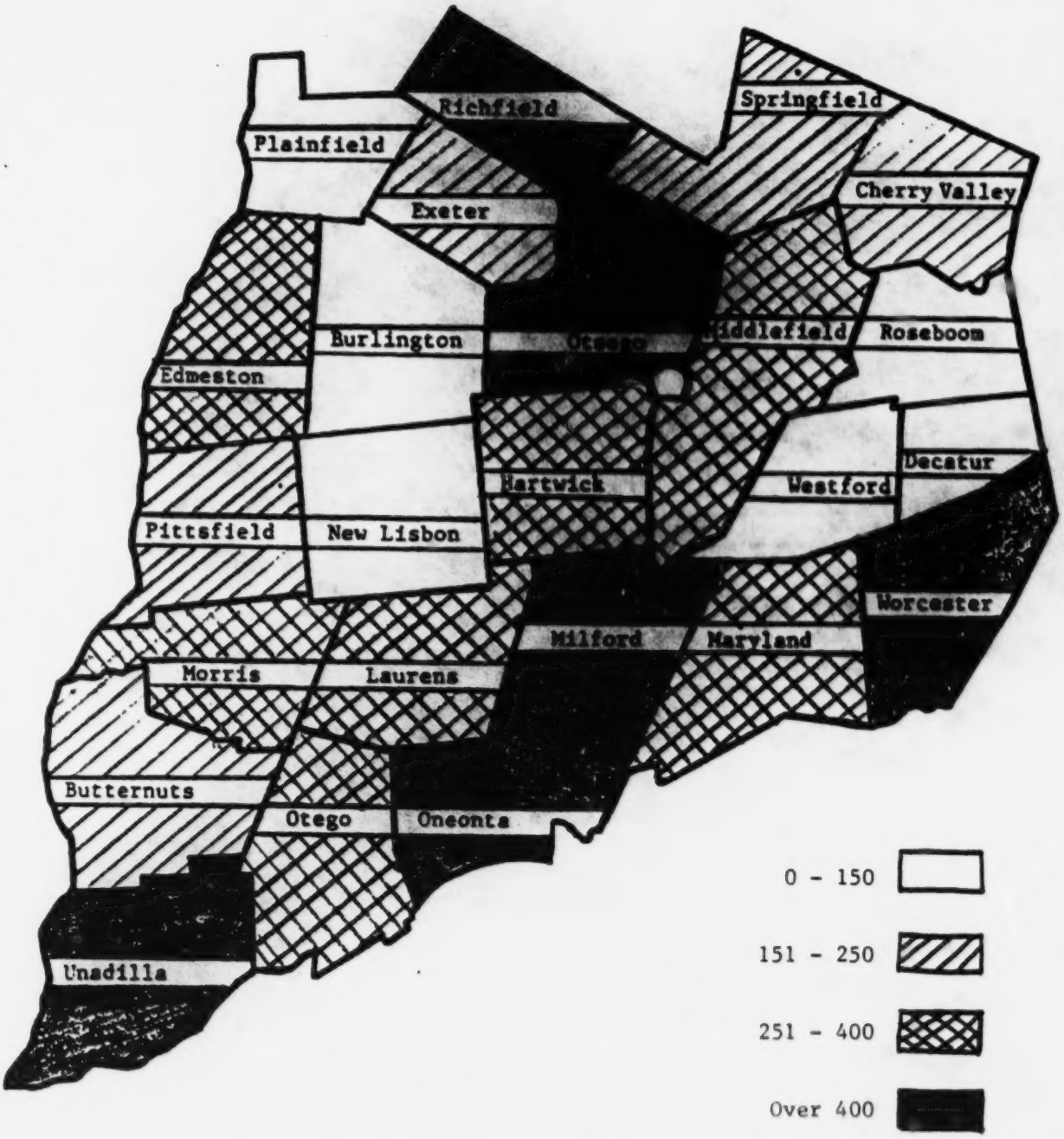
Figure 9 - Otsego County Households With 0-1 Car, by Town, 1980



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Oneonta, Otego, Unadilla and Worcester as well as Cherry Valley, Plainfield, Richfield and Richfield Springs.

Five taxi companies operate within Otsego county, three in Oneonta and 2 in Cooperstown. The high cost of using a taxi in rural areas means that service is effectively limited to Oneonta and Cooperstown.

The Office for the Aging, the Otsego County Association for Retarded Children, the Head Start Program and the Department of Social Services provide client restricted specialized transportation for medical, nutritional, educational, social services and shopping purposes. The CAP Agency, Opportunities for Otsego, provides transportation services for income eligible program participants.

Otsego county's transportation corridors lie along the Oneonta to Cooperstown route and along I88, the interstate forming the southeastern boundary of the county. However, while Cortland's population is concentrated in the Cortland-Homer-McGraw area, Otsego county's population is more diffused throughout the entire county in villages and in the open country.

Otsego county participates in the Federal Section 18 Program. However, since the original proposal to provide service to the entire county was not approved by the County Legislature, the funds are being utilized by the city of Oneonta public transportation system.

Primary Data Collection

After initial field trips to the two counties to brief county supervisors and cooperative extension agents, project staff developed a standard questionnaire for use in subsequent agency interviews.[3] The questionnaire was designed to develop information which would permit an analysis of available agency transportation resources. A copy of the questionnaire for Cortland County is shown in Appendix I.

Respondents were then selected and the questionnaire used to obtain primary data in each county. In selecting transportation providers, project staff recognized that a variety of local, informal networks may exist that also provide transportation. However, during the study phase, we interviewed the major providers only since we felt that the greatest immediate gain in efficiency would come from those now providing the major portion of transportation services. We also felt that if alternative systems were developed, informal networks could become a part of the alternative system or complement it on an informal basis.

Cortland County

Before conducting agency interviews, the project staff met with the County Supervisor and a member of the transportation committee to apprise them of the project. Staff met with the County Extension Agent to determine whether initial impressions of transportation providers were accurate. A

[3] The questionnaire used in this study was based on one developed and used by Terry Bliss of the Otsego County Planning Office.

separate visit to the County Planning Office was made to gather background information on overall county involvement in passenger transportation.

The following organizations were selected for interviews in Cortland County:

- Department of Social Sevices
- J. M. Murray Center for the Handicapped
- Cortland County Area Agency on Aging
- Community Action Program (CAP) of Cortland County
- Association for Retarded Citizens

Project staff visited each agency, briefing agency staff directors about the project and asking a series of general questions about agency activities and transportation services. A copy of the survey questionnaire was left with agency staff who were asked to return it to project staff upon completion.

While conducting agency interviews, project staff also made a presentation to the Cortland Community Council, a county-wide organization including the majority of county organizations involved in human service activities and community programs. Questionnaires were distributed to interested organizations. As a result, Green Thumb, Inc. of New York, the Women's Health Center of the Cortland Health Department, the Cortland County Probation Department, Aid to Women Victims of Violence and Catholic Charities provided further information on transportation need.

Otsego County

As in Cortland County, staff met with the County Supervisor and the Cooperative Extension Agent. The following organizations were selected for interviews in Otsego County:

Department of Social Services
Otsego County Office for Aging
Opportunities for Otsego, Inc.
Otsego County Association for Retarded Children
New York State Migrant Child Care Program

Project staff visited each agency, conducting the same type interview as in Cortland County. Agencies were asked to provide more detailed information by completing the questionnaire.

During the interview period, project staff worked closely with the County Planning Office to gather county specific program information. Project staff presented the study to the Otsego Human Services Council, an organization made up of the majority of county human service agencies. The Broome/Otsego Developmental Disabilities Service Office, and Otsego County Cooperative Extension Service also provided additional information on transportation need.

STUDY RESULTS

A summary of information obtained by personal interview and questionnaires from the human service agencies in the two counties studied is shown here. The data consists primarily of type and cost of transportation provided by the agencies.

Cortland County

Table 8 shows a summary of transportation provided to eligible clients by human service agencies in the county. Transportation is incidental to

Table 8 - Average Number of Trips, Miles and Clientele Served by Major Human Service Agencies, Cortland County, 1983

	Average Number Of Daily Trips	Total Number of Eligible Clients [1]	Percentage Eligible Receiving Agency Transportation Service	Modal Average Travel Distance For Clients
Community Action Program Cortland County (CAPCO, Inc.)				
Head Start	72	119	100	<10 miles
WIC	Unknown	2,300	50	<10 miles
Cortland County Area Agency on Aging	45	7,838	74.5	<10 miles
Cortland County Health Department	Unknown	29,568 [2]	5	<10 miles
Cortland County Probation Department	Unknown	All residents requiring services	Approximately 1,300 residents	Not Given
Cortland County Department of Social Services	10		100	Not Given [3]
Green Thumb, Inc. USDOL	4	816	11	Not Given
J.M. Murray Center	82	985 (est.)	11	<10 Miles
Cortland County Youth Bureau	65	NA [4]	NA	NA

[1] Agency Statistics

[2] Total population provided age 12-50 eligible. Serves primarily teenagers.

[3] DSS provides door-to-door transportation service for all eligible client trips.

[4] Not available

agency objectives and is an intermediate phase necessary to deliver the primary services of agencies. Not all agency clients receive transportation services so the data indicate only those actually being transported.

Of the eight agencies showing the percentage of eligible clients receiving transportation service, only two are fully meeting the needs of their clientele. Because each of the agencies serves the entire county, the data include the City of Cortland. Since about half the agency clientele is located in the Cortland area, the average travel distance is lower than might be expected in a rural county. However, the Head Start Program operates several centers so that the travel distance to each center is reduced.

Table 9 shows a summary of transportation services provided by principal human service agencies in the county. Based on data provided by the agencies there is an indication the county is spending a significant amount of money on transportation: $422,932 for fiscal 1983. That total, however, does not include indirect costs: it covers only direct costs, such as maintenance, vehicle operating costs and purchase of service contracts. The actual total cost of providing transportation is quite likely much higher.

Several of the agency directors indicated in interviews that they spend up to a quarter of their time on transportation and that at least the equivalent of one staff person works full time on arranging transporation. The cost of that time is not included in the total transportation cost.

The major human service providers in the county are three private, not-for-profit organizations: the CAP agency, the J.M. Murray Center for the

Table 9 - Service Provided, Transportation Costs and Equipment, Clients Served and Funding Sources for Principal Human Service Agencies, Cortland County, 1983

Agency	Type of Services Provided	Number and Type of Equipment	Number of Annual Passengers	Total Annual Mileage	Federal Funding Source
Community Action Program Cortland County (CAPCO, Inc.)	Pre-school/ Head Start	3 - 15 passenger buses 3 - 8 passenger buses 3 - vans 2 - station wagons 2 - sedans	6,032	68,848	Head Start-Community Service Block Grant WIC - None
Cortland County Department of Social Services	Medical	2 - sedans	2,500	56,000	Title XIX Title XX
Cortland County Area Agency on Aging	Services to elderly	2 - sedans	11,000	35,840	Title III
J.M. Murray Center, Inc.	Vocational Ed. Day Treatment	1 - 32 passenger bus 2 - 16 passenger buses 1 - 11 passenger van	20,500	90,000	Vocational Rehab. Developmental Disabilities
ARC	Services for Independent Living Handicapped	1 - 12 passenger van 1 - station wagon	Unknown	Unknown	Unknown
Total Cost of Transportation: $422,932 [1/]		18 vehicles	40,032	250,688	

[1/] Includes purchase of service agreement with private taxi operators and ambulance services

Handicapped, and the Cortland County Chapter of the Association for Retarded Citizens (ARC).

Vehicles operated by the J.M. Murray Center are generally used to transport handicapped persons to vocational rehabilitation training. The Murray Center transports Office of the Aging clients under a contractual arrangement in which it operates buses purchased with 16(b)(2) funds, a federal program funding bus purchase for the elderly and handicapped. The Center also contracts with the Department of Social Services, to provide mandated transportation services for clients in Title XIX (Medicaid) and certain other programs.

Vehicles operated by CAPCO are used to transport children to Headstart Program activities and their parents, as required, to support services. Vehicles owned by the ARC are assigned to community residences and used solely to transport clients.

The transportation service provided by each agency in Cortland County is door to door. Vehicles operate an average of 4.5 hours daily, Monday through Friday. Ninety-eight percent of the clients transported travel less than 26 miles one-way, to agency sponsored program activities. Service is largely concentrated in the three most populated towns, namely Cortlandville (which includes the city of Cortland), Homer and Marathon.

Specific federal funding sources identified in the survey include the UMTA 16(b)(2) Program, Community Services Block Grant funds, Health and Human

Services Program funds for Aid to Children, Youth and Families and Title III of the Older Americans Act. The survey further identified state funds appropriated by the Legislature of the State of New York to off-set deficit costs incurred by organizations providing community based services to mentally and physically handicapped individuals. These are known as 620 and OT 620 Program funds.

All agency directors indicated a need for more transportation. Their comments included the observation that "some type of regularly scheduled public transportation within the county would be of great service to our clients, who reside in rural areas. They would be able to secure and maintain employment more readily, be able to shop and do business in the city [of Cortland] and be able to come to the agency as required." Others concerns were lack of access to TC-3, a community college located in the open country eleven miles from downtown Cortland and to commuter transportation from Cortland to Syracuse. One respondent suggested that service be available from each town on a weekly basis to allow rural residents the opportunity to avail themselves of medical care, shopping, etc.

Otsego County

Seven public and private non-profit human service organizations in Otsego County own and operate vehicles for the provision of client transportation services. They include Opportunities for Otsego, the Veterans

Association, the YMCA, the ARC, TLC, a nursery program, the Migrant Program and the Office for the Aging.

Ten of sixteen vehicles operated by Opportunities for Otsego (OFO) provide transportation for children enrolled in Headstart Program activities. The six remaining vehicles are used to transport persons at or below poverty level to essential services and persons 60 years of age and over to nutrition sites. OFO transportation service to persons 60 and over is provided under contract with the Otsego County Office for the Aging. OFO also provides transportation for Department of Social Services clients through a purchase of service contract.

The Otsego County Office for the Aging also operates a vehicle to transport elderly persons for essential social, medical and shopping trips. The Otsego County Chapter of the Association for Retarded Citizens operates eight vehicles to transport clients of the agency to vocational training and day treatment.

Two Migrant Program vehicles serve both Otsego and Delaware Counties to transport the children of migrant farm families to day care activities in the city of Oneonta. The Department of Social Services employs one aide working full time transporting clients for the agency. The aide uses her private automobile and receives mileage reimbursement. Three Otsego County-based not-for-profit organizations are also providing transportation for their members.

A new vehicle recently acquired by the Veterans Association in Otsego County is used to transport Veterans and their families to medical facilities

outside the county. Two vehicles owned by the YMCA provide transportation service, as required, to Day Camp activities and for chartered trips. A vehicle owned by the Tender Loving Care (TLC) Nursery School transports children to pre-school program activities.

Table 10 shows a summary of transportation provided by human agencies in the county. In contrast to Cortland County, the number of residents eligible for CAP programs (Head Start, Nutrition Program for the Elderly, Home Handicraft Program, WIC, Rent Subsidy, Weatherization, Recreation Program for the Elderly) is high, representing 37 percent of the population. The eligibility level reflects the county being part of the Appalachian Region. Travel distances are longer for several of the agencies which do not have satellite offices, reflecting Otsego's large geographic size.

Table 11, showing a summary of Otsego human service transportation, indicates that a substantial amount of money ($390,863) is spent transporting eligible residents. Again, the cost figure represents only direct costs and does not include indirect administrative and programmatic costs.

An example of the cost underestimate is the transportation service provided by DSS caseworkers in the Foster Care Program. The agency is mandated to provide visitation rights for the parent. However, if the parent lacks access to transportation, the caseworker drives the parent to the residence of the child, waits until the mandated visit is completed and returns the parent to his or her home. The caseworker time is not accounted for as providing transportation, rather it is counted as providing client service.

Table 10 - Average Number of Trips, Miles and Clientele Served by Major Human Service Agencies, Otsego County, 1983

	Average Number Daily Trips	Total Number Eligible Clients	Percentage Eligible Receiving Agency Service	Modal Average Travel Distance for Clients
Opportunities for Otsego, Inc.	51	21,702	25	10 miles
Otsego County Office for the Aging	25	11,330	15	10 miles
Otsego County Department of Social Services	10	11,590 1/		Not Known
Otsego Developmental Disabilities Service Office/Broome Developmental Services Office	Unknown		Unknown	10 miles
Otsego County Chapter of Association for Retarded Children		1,200	20	26-35 miles
Migrant Program	6	Unknown 2/		10 miles

1/ Total persons within 125 percent of poverty

2/ Number of clients depends upon the migrant worker flow.

Table 11 - Type of Service Provided, Transportation Costs and Equipment, Clients Served and Funding Sources for Principal Human Service Providers, Otsego County, 1983

Agency	Type of Services Provided	Number and Type of Equipment	Number of Clients Served Per Year	Total Annual Mileage	Federal Funding Sources
Otsego County Chapter of Association for Retarded Children (ARC)	Vocational Ed/Day	1 - 40 passenger bus 2 - 45 passenger buses 1 - 16 passenger bus 3 - 11 passenger vans 1 - station wagon	30,825	300,000	OMRDD OUR
Otsego County Office for the Aging	Services to elderly	1 - 14 passenger van 3 - sedans	2,860	28,600	Title VII
Opportunities for Otsego, Inc. (CAP)	Community Action	7 - 16 passenger buses 2 - 14 passenger vans 3 - sedans 4 - station wagons/ suburbans	13,227	205,832	Community Service Block Grant
Otsego County Department of Social Services	Medical	1 - van 3 - sedans	2,660	Unknown	Title XIX Title XX
Broome Developmental Services Office/Otsego Developmental Disabilities Service Office	Day Treatment	2 - vans	9,360	Unknown	Unknown
Migrant Program	Day Care for Migrant workers	2 - 15 passenger vans	13,000	85,000	Title XX
Head Start (TLC)	Pre-school	1 - 8 passenger van			

Total Cost of Service to County: $390,863

Lack of transportation contributes to program delivery costs in another way not accounted for by agencies. The Cooperative Extension agent indicated that the Expanded Food and Nutrition Education Program (EFNEP) aides needed to schedule individual home visits in lieu of holding public meetings because program recipients have no transportation. Aides are able to reach fewer eligible clients since they need to bring the service to the individual client. A transportation system that would permit bringing clients to the service would be more cost effective and make services available to more people.

Transportation service provided by each agency is door-to-door. Vehicles operate an average of four hours daily, Monday through Friday. Ninety-five percent of the clients transported travel less than 26 miles one-way to agency sponsored programs. Service is generally concentrated in the Towns of Oneonta, including the City of Oneonta, Edmeston, Otsego and Pittsfield.

The sources of federal program revenue identified by agencies as providing financial assistance to purchase vehicles and off-set operating costs include: the UMTA 16(b)(2) Program; Community Services Block Grant funds; Health and Human Services Program funds for Aid to Children, Youth and Families; Title III of the Older Americans Act; and Title III of the Comprehensive Employment and Training Act of 1973, as amended. As an Appalachian Region County, Otsego also receives Appalachian Regional Commission funding. New York State revenue included 620 and OT 620 Program funds. Three agencies also listed contract revenue, donations and private contributions as sources of revenue.

All agency directors indicated a need for additional transportation. Of particular interest was the possibility for undertaking joint vehicle maintenance and repair among the human service agencies.

USING COOPERATIVES FOR ALTERNATIVE TRANSPORTATION SYSTEMS

Before turning to a discussion outlining ways in which a cooperative may provide rural passenger transportation, a brief description of a cooperative organization and its functions clarifies why it can be an appropriate structure in meeting rural transit needs.

What Is A Cooperative?

A cooperative is an organization formed by a group of persons to secure services for themselves more effectively or economically than they could on an individual basis. Members own, finance and operate the cooperative for their mutual benefit.

The New York State Cooperative Corporations Law, Section 3(c), defines a cooperative as: "A corporation organized ... for the cooperative rendering of mutual help and service to its members." Although in certain respects a cooperative is organized like other businesses, there are some important differences which make them appropriate for rural, local passenger transportation:

1. their main purpose is to serve members, not to provide goods or services at a profit for others.

2. savings over the cost of business are distributed to members on the basis of use.

3. voting control is based on membership, with the usual practice being one member - one vote.

In addition, cooperatives have long been part of rural America, providing farmers with a mechanism for marketing products, obtaining production supplies and other services necessary to operate a highly capitalized agriculture. While originally confined to agricultural producer organizations and Rural Electrification Associations, cooperatives now include "buying clubs ... consumer stores, craft, credit, fishing, forestry, health, housing, legal services, ... migrant labor, mutual insurance, sewer, water" and other concerns.[4]

Why A Cooperative?

A cooperative offers several advantages as an organizational structure for rural areas. It is a familiar organization to many rural residents. It is dependent on local initiative rather than on outside interests. Control remains with the members, who may be local organizations or individuals to coordinate activities they share in common. Since its structural functions are defined by local interests, it becomes a highly flexible form of organization which can respond to a variety of local needs across a range of rural transportation settings.

[4] U.S. Department of Agriculture, Farmer Cooperative Service and Extension Service, Advising People About Cooperatives. Washington, DC: U.S. Government Printing Office, 1976, p. 6.

Cooperatives - A Coordinating Mechanism

Coordination of transportation by agencies providing human services is receiving increased attention as available funding has declined. Yet the specific nature of what is to be coordinated needs definition. Coordination can involve several elements: resources, programs, clients and information and can include coordination between different organizations within a community as well as coordination between similar organizations across communities. It can involve organizational decision-makers or it can take place at a staff level.

Because most agency-provided passenger transportation in New York is county based, the study concentrated on examining the feasibility of using a cooperative to coordinate county-based transportation services. However, the cooperative concepts discussed here can also be applied on a regional basis.

Several successful rural transit systems are currently operating on a regional basis in Minnesota, Virginia, Missouri and Illinois.[5] A county level cooperative, however, may be more easily established because it is smaller in scale and involves fewer organizations. Perhaps more importantly, the county is a geographic area with a viable mix of riders and it is a local government entity which can act with fewer outside restrictions on its activities.

General Organizational Structure

Although specific organizational details can vary according to the functions carried out by the cooperative, the general organizational structure

[5] See, Transit Works: Case Studies of Rural Transportation Systems, Institute for Urban Transportation, Indiana University. Washington, DC: USDOT, June, 1982.

for each passenger transportation alternative is similar. Reference is made to the New York Statutes applicable to the establishment and requirements of a passenger transportation cooperative as it would function in New York. Titles of applicable statutes for other states would vary, as would regulation of specific cooperative organization functions.

A cooperative would be incorporated to undertake certain specified transportation services. The cooperative would be a not-for-profit corporation and would be subject to the Not-for-Profit Corporation Law. The particular type of organization would be decided in accordance with the needs of the organizations and individuals forming the cooperative. However, the organization objectives and structure should be sufficiently broad to allow for subsequent organizational change as the cooperative gains experience. The "Statement of Purpose" included in the Certificate of Incorporation would specify the intended purpose(s) of the organization. Articles of Incorporation and By-Laws would be submitted to the New York State Department of State for review and approval.

The cooperative would conduct business pursuant to the provisions of the Business Corporations Law of New York. Any permits or certificates required to operate a coordinated system and/or vehicles would be obtained in accordance with the Transportation Law.

The cooperative would be governed by a policy board elected by membership. The By-Laws, drafted and adopted by the general membership, would

detail corporate policy regarding membership rights and responsibilities, the election of officers, their titles and responsibilities, voting requirements, committee structure and any other membership practices deemed necessary by the cooperative.

General cooperative membership would consist of:

1) public and private transportation providers, including both organizations that own and operate vehicles and those that provide transportation for clients through purchase of service agreements;

2) other organizations serving clients with transportation needs that are not being met.

Clients of individual member agencies would utilize the services of the cooperative through their status as agency clients. The agencies would cooperatively perform transportation services which would mutually benefit clients, with member agencies determining cooperative policy.

Rural residents who are not agency clients but who are interested in purchasing transportation services could do so as non-member patrons.

Cooperative Alternatives

The cooperative alternatives explored here progress from human service agency information exchange activities through a cooperative clearinghouse to

full-scale consolidation of all agency transportation activities. If one subscribes to the "you should crawl before you walk" theory, then it would be logical to suggest that agencies first organize a cooperative clearinghouse and progress to full-scale consolidation, if experience warrants it.

In each of the alternatives discussed below, it is assumed that most public and private not-for-profit, human service agencies have acquired transportation equipment with federal, state or local assistance to provide client specific transportation service. Also, these agencies could agree to work cooperatively to coordinate certain operating functions for eliminating or reducing overlapping transportation service now provided certain client groups on an individual agency basis.

Cooperative Clearinghouse

An initial effort to coordinate transportation activities among human service agencies could be accomplished by a cooperative clearinghouse. A cooperative clearinghouse would require a simple organizational structure and minimal staffing.

Set up on a cooperative basis, the clearinghouse would have human service agencies as its members. Each agency could supply the clearinghouse with a list of clients and the frequency and type of transportation each client requires.

A list of vehicles by type and capacity would be supplied to the clearinghouse by each agency. The clearinghouse staff could then match client

transportation requirements with equipment availability. Each agency would retain ownership and first priority in the use of its vehicles.

Service routes between client residences and service centers could be laid out and designed to maximize productive employment of vehicles, yet provide needed client services.

The clearinghouse would have the following advantages:

- Utilization of vehicles could be improved by combining trips of member agencies.
- Better vehicle utilization would permit service to additional clients of member agencies.
- Duplication of service routes could be reduced or eliminated.
- Individual agency staff time used for dispatching could be significantly reduced.

A microcomputer could facilitate centralized organization, storage and use of information now largely kept by each agency on 5"x7" file cards. Agency compilations of transportation needs, along with client eligibility, would permit verification of eligibility, and matching transportation requests with trip schedules quickly and with minimum effort.

Microcomputers may be purchased with Section 18 monies if they are used in public transportation. Also, software packages are being developed for

rural passenger transportation systems. If no appropriate software is available, local colleges and universities could be tapped to develop a package that meets local needs.

Administrative Cooperative

A second alternative, a cooperative that handles transportation administrative activities common to member agencies, requires a higher degree of coordination than the clearinghouse. Bookkeeping, accounting, client transportation record keeping, service billings and maintenance of vehicle operating records could be performed by the cooperative. All records pertinent to transportation, including required agency record-keeping, could be maintained by the cooperative.

Beyond simple tracking of expenditures, the cooperative would be able to provide member agencies with a more detailed record of the cost of providing transportation services. Member agencies would decide how many administrative functions should be maintained by the cooperative.

If record-keeping is maintained by the cooperative, a standard format could be developed that could be used by member agencies in fulfilling their reporting requirements. This would also facilitate billing for interagency use of transportation equipment and services. Again, as in carrying out the clearinghouse function, a microcomputer could store and reproduce the necessary information in a format that could be used by individual agencies to monitor transportation costs and to determine budget requirements.

Cooperative for Vehicle Maintenance and Repair

This type of cooperative would be responsible for maintenance and repair of transportation vehicles of member agencies. The cooperative would maintain records on each vehicle owned by member agencies, and would schedule required repair and maintenance. A parts inventory could be maintained, with a potential for a discount on volume purchases.

The cooperative could negotiate a flat rate with a garage for vehicle maintenance and repair. If local garages object because member agencies would now go to only one facility, a standard rate for repair could be negotiated by the cooperative that would apply for services provided by any garage willing to participate.

The cooperative could also negotiate with the County Highway Department to perform all maintenance functions on a contract basis. A BOCES (Board of Cooperative Educational Services, a vocational educational program) could also be contacted to determine its interest in performing vehicle repair and maintenance services under a contractual arrangement.

Cooperative Fleet Purchase

The purpose of this cooperative would be to negotiate with vehicle manufacturers to obtain lower fleet prices for those vehicles operated by agencies which are not purchased under a statewide contract. The cooperative

would also be in a position to determine the need for and design of a standard vehicle that meets the majority needs of member agencies.

A standardized fleet should lead to reduced operating and maintenance costs as volume purchase of parts and reduced parts inventory levels could be more easily achieved than with a fleet of diverse, non-standard vehicles.

Transportation Service Cooperative

This cooperative would consolidate and perform all the services listed in the above discussed service cooperatives - fleet purchase, joint vehicle maintenance and repair, joint administration and clearinghouse functions. Each member human service agency would retain its own vehicles.

The upkeep, operation, record keeping and vehicle dispatching functions would be essentially transferred from the individual agencies to the cooperative. The burden of the transportation administration and service functions would be largely removed from each human service agency. This would permit devotion of more agency staff time to client service and carrying out the primary mission of the agency.

Consolidated Agency Transportation Cooperative

The consolidated agency transportation cooperative would own and operate all vehicles which serve the transportation needs of member agencies. Members of the cooperative, who would also be its owners, would be the human service

agencies. Service could also be provided to non-member agencies or individuals on an as available basis. The cooperative would be fully responsible for performing all transportation functions for member agencies.

Administration---Operation of the cooperative would include the following responsibilities:

- Provide fleet management services.
- Develop an annual operating budget.
- Establish a Transportation Service Directory of all providers serving the community, including private bus operators, taxi companies and human service agency providers.
- Develop a uniform billing and accounting system.
- Establish a fee schedule.
- Supervise transportation staff.
- Provide information and referral service for agencies not providing transportation for their clients.
- Coordinate and match transportation needs of member agencies with available transportation facilities.

Transportation Service---Service provided by the cooperative would continue to be door-to-door. New clients entering agency programs would be scheduled for pick-ups on existing routes or arrangements would be made for route deviations to meet their transportation needs. Demand-responsive service would operate on an advance reservation basis. Fixed route service could operate in corri-

dors to connect smaller population centers with the major population center/city to allow residents of outlying areas access to essential services.

Cost Determination---Costs of operating the cooperative can be pro-rated on the basis of use. Initially the cooperative may wish to estimate the cost to provide transportation service in order to establish a schedule of fees. A schedule utilizing fixed unit costs may be the most satisfactory way of determining cost. Typical unit costs include cost per vehicle mile, cost per vehicle hour of service and cost per passenger trip. Another method is to use only cost per passenger trip.

Vehicles and Drivers---In addition to outright purchase by the cooperative of vehicles from member human service agencies, those agencies might also consider contributing their vehicles to the cooperative as part of their capital contribution. While contributing resources to the cooperative may be an option, agencies might also elect to retain title to their vehicles particularly in the earlier phases of organization.

Drivers could continue working as staff of member agencies or as drivers for the cooperative. There are several legal and insurance advantages in evaluating such a consideration. The cooperative may be able to increase scheduling and routing flexibility by requiring drivers to obtain a valid New York State Class 2 Passenger Bus Operator license and to meet the requirements of Article 19A of the Vehicle and Traffic Law. If all cooperative drivers completed the safety training programs mandated by the Education Department

for school bus drivers, the cooperative would be assured of an adequate supply of drivers for any school type driving required by member agencies.

Requiring drivers to participate in Defensive Driver training programs, Cardio-Pulmonary Resuscitation (CPR) classes and other safety programs would minimize risk factors used by insurance carriers to determine premiums. As a cooperative member, agencies may be able to procure insurance at lower rates than on an individual agency basis.

Community Service Cooperative

The Community Service Cooperative (CSC) concept would rely on a civic organization, such as the Kiwanis, Rotary or Lions, to establish and manage a rural passenger transportation cooperative. Charters of many service clubs generally state that the clubs are incorporated to provide community service. Specific organizations, however would need to review their charter and by-laws to determine whether organization and management of a rural passenger transportation cooperative can be undertaken within their existing charter and by-laws. Certain state laws may also apply.

Membership—Membership in the CSC would be open to any resident in the community interested in implementing a volunteer transportation system. CSC membership would consist of three classes: riders, volunteer drivers, and volunteers to perform certain administration and operation tasks. All persons could concurrently hold membership in all three classes.

Membership fees for riding members could be contributed by individuals or a third party (a public or private non-profit human service agency). Riding members could earn credit toward a reduction in their annual membership fees by volunteering their time to perform administration or operating tasks.

Membership fees for volunteer drivers would be the lowest on the schedule since drivers would be expected to contribute their time and also use their personal vehicles to transport riding members of the cooperative. To insure an adequate number of volunteer drivers, the cooperative could offer incentives such as: (1) regularly scheduled vehicle safety inspections, tune-ups, tire rotations, oil changes, etc. or (2) make arrangments to cover the out-of-pocket costs and insurance when the driver uses his personal vehicle for providing service and additionally provide a per mile reimbursement to compensate a driver for his time.

Each volunteer driver would be required to contribute a minimum level of service each month to riding members of the cooperative. All members would be expected to participate in activities to raise funds to defray operating expenses and promote the services of the cooperative.

Organizational Structure--The CSC could be organized as a new not-for-profit corporation in the State of New York. The CSC would be a separate organization from the service club. It would incorporate as a type D not-for-profit association according to the provisions of the Not-For-Profit Corporation Law and the Cooperative Corporations Law of the State.

Operation of the cooperative would also need to be consistent with the requirements specified in the New York State Business Corporations Law, the Transportation Corporation Law and the Transportation Law, as these apply to the administration and operation of a volunteer transportation system. Articles of Incorporation and By-Laws for the CSC would be submitted to the New York State Department of State for their review and approval.

The primary advantage in setting up a new, not-for-profit corporation is that liability for the management and operation of the transporatation system would be limited to the cooperative and independent of a sponsoring organization. The disadvantages include: (1) incurring legal costs to file a Certificate of Incorporation and to develop By-Laws for the cooperative and (2) difficulty in obtaining liability insurance coverage for the cooperative. Legal costs to file a Certificate of Incorporation would be minimal while liability insurance can be obtained at reasonable cost under recently filed human service transportation categories. Insurance issues are further discussed later in this report.

Since each state has a separate statute covering the operation of cooperatives, a civic organization interested in forming a rural passenger cooperative would need to review the appropriate state statutes before drawing up Articles of Incorporation and By-Laws. A sample copy of Articles of Incorporation and By-Laws conforming with New York State statutes is found in Appendix II.

As an alternative, an already incorporated civic organization may amend its original Articles of Incorporation to include a Statement of Purpose that would permit the operation of a volunteer transportation system. The procedures to amend Articles of Incorporation in the State of New York are relatively simple, providing the new activities to be undertaken by the corporation are consistent with the purposes stated in the original Certificate of Incorporation.

A not-for-profit organization that wishes to amend its Articles of Incorporation would be required to file an Amendment with the New York State Department of State requesting approval to engage in providing volunteer transportation service to members of the cooperative. The cost to amend Articles of Incorporation are low compared to initial costs for incorporating a separate organization.

However, unless a subsidiary to the civic organization is established, the service club itself would be liable for the management and operation of the transporatation system. Before determining an appropriate organizational structure for the cooperative, the service club should thoroughly examine the potential liability effects of various types of organizational structures.

CSC, as a not-for-profit corporation, would be governed by a policy board elected by vote of the general membership. The By-Laws adopted by the general membership would detail corporate policy regarding classes of membership, election of officers, their titles and responsibilities, voting requirements, committee structure, and other related corporate practices.

CSC Operation--Committees would be established from the general membership to:

1. identify and recruit members
2. supervise driver selection and training
3. manage finances
4. coordinate volunteer operating activities including; scheduling, dispatching, and routing; and
5. direct public relations and fund raising activities

Each committee, under the direction of a chairperson, would assume specific responsibilities related to the operation of the transportation system.

The Membership Committee, in addition to recruiting new members would develop an intake form to identify an individual's class of membership in the cooperative. It would devise a method for riding members and volunteer drivers to identify each other, formulate corporate policy governing standards of conduct for riding members and volunteer drivers, and oversee the enforcement of these standards. This Committee would develop a membership fee schedule and assume responsibility for the collection of fees from individuals and third party contractors.

The Driver Selection and Training Committee would be responsible for supervising volunteer drivers. Responsibilities would include developing driver certification procedures, vehicle safety and insurance standards. This committee would enforce established corporate policy regarding standards of conduct for drivers, record driving time, and oversee the administration of driver incentive programs.

The Finance Committee would be responsible for fiscal management. Responsibilities would include: preparing an annual operating budget, accounting for revenue, managing accounts, paying bills, and other related bookkeeping tasks.

The Operations Committee would be responsible for developing procedures to schedule rides and dispatch volunteer drivers. Responsibilities would include establishing a network of volunteer dispatchers and drivers within a service area. Dispatchers would accept requests from riding members of the cooperative in their service area and contact volunteer drivers to schedule rides.

The Public Relations/Fund Raising Committee would be responsible for promoting the services offered to members of the cooperative and undertake fund raising projects, as required.

Service Orientation--Initially the cooperative may wish to prioritize requests for transportation service, since arranging a trip will depend upon the availability of volunteer drivers to provide service. Ride requests for routine medical appointments (non-emergency), social services, employment, and grocery shopping should be given preference.

Dispatchers would be assigned service areas with each service area encompassing only local, toll-free calls. Dispatchers would accept trip requests from riding members during a set period of time daily, Monday through Friday, on a 24-hour advance reservation basis.

Riding members without access to a telephone would be able to request and schedule a trip one week (minimum) in advance through the mail. Pre-paid return addressed postcards could be distributed by the Membership Committee to riding members without telephones, which could be mailed directly to the dispatcher within their service area.

Dispatchers would relay individual trip request information (name, address, date, time, destination, purpose, return requested, date, and time) to volunteer drivers in their service area and schedule rides. They would then advise the riding member if the trip was scheduled either by telephone or via mail.

Transportation service would be limited to fee paying riding members of the cooperative. This measure would insure the safety of both the drivers and their passengers. Service would be provided in privately owned vehicles by certified drivers of the cooperative. Drivers would continue to be responsible for vehicle registration, licensing, and insurance. The cooperative would purchase additional insurance to cover the excess liability a driver would assume in transporting riding members.

The clientele of public and private, non-profit human service agencies concerned with delivery of community based services could become riding members of the cooperative. These agencies would be able to assess the transportation needs of their clients, many of whom by reason of age, income, handicapping condition, or other factors may be considered transportation

disadvantaged. Those agencies providing transportation service to their clients, either directly or through purchase of service agreements, could contribute the membership fees for their clients. Contributing agencies would also have the option of requiring their clients to volunteer a specified amount of time monthly to the operation of the cooperative. This would increase the number of available volunteers and foster individual interest in the success of the cooperative.

The cooperative, under the direction of the Driver Selection and Training Committee, would arrange for all certified drivers to participate in a Defensive Driver Training Course, CPR classes, and other safety programs. The cooperative would thus minimize risk factors commonly used by insurance carriers to determine insurance premium rates thereby reducing individual insurance costs of the driver and the cooperative.

Community Service Cooperative: Pros and Cons—Success of the Community Service Cooperative concept depends on the recruitment of an adequate number of volunteers to organize and operate the cooperative transportation system. Involvement of one or more civic organizations, committeed to making the project succeed, would initially insure a "core" of volunteers. Generally, the membership of a civic organization consists of individuals from diverse professional backgrounds who are already recognized as community leaders. The training and experience of these individuals would be beneficial in organizing and managing a cooperative.

Despite the many apparent advantages of organizing a community transportation service by utilizing the help and service of civic organ-izations there are some problems that also need to be considered. We have listed many of the pros and cons of such an operation in the following section.

PROS

. It brings organizations with a community service objective together to meet a recognizable community need.

. Because of its dependence on volunteers, CSC can potentially provide rural passenger transportation at low cost.

. Professionals who are members of the civic organization could volunteer their services to assist the cooperative. For example:

- An attorney could prepare the Articles of Incorporation and By-Laws.

- An insurance agent could provide technical assistance in acquiring appropriate liability insurance coverage for drivers and the cooperative itself at a reasonable cost.

- An accountant could assist the cooperative in setting up necessary bookkeeping, accounting and business procedures.

. Civic organization membership often includes local government and agency officials and staff. Thus a joint effort such as the CSC,

to meet rural passenger transportation needs would help meld the mandated human service mission of agencies with the community service dedication of civic organization members.

CONS

- As most civic organization members have full time employment, they may feel they would have insufficient time available for organizing, assisting and managing a cooperative such as CSC.
- Obtaining and maintaining an adequate number of volunteer drivers, daily, Monday through Friday particularly, to transport riding members of the cooperative, could be difficult.
- Liability up to the drivers' maximum coverage would remain with the individual volunteer. This could deter people from volunteering as drivers as claims for personal injury or negligence, resulting from an accident would be filed first against the driver's insurance carrier.

Postal Routes: A Rural Transportation Resource

Highway contract routes (sometimes called Star Routes) are contracted mail routes serving rural post offices. Rural carriers deliver mail to outlying post offices twice a day from a regional mail processing center or

larger post office. The larger mail distribution centers are often located in cities/areas which are also regional retail, medical and human service centers.

One of the study objectives was to determine the potential for combining freight and passenger transportation services in rural areas to maximize cross benefits from both. Mail and package freight handled by the U.S. Postal Service offers a potential for combining with passenger transportation in the two counties studies.

Use in Foreign Countries

Postal buses providing passenger transportation, are being used in Scotland, England, Switzerland, Germany, Austria and Sweden. In Sweden, Germany, Austria and Switzerland, the passenger service is mostly confined to major bulk mail collection and distribution routes using trunk highways.

The approach used in Britain and Scotland appears to be of interest in considering the potential of such a program for rural passenger transportation in New York. The Scottish postal bus delivers mail in the morning to towns and rural mailboxes and makes another run in the afternoon to collect mail from the towns. The otherwise empty backhaul is used to transport passengers, thus providing a round trip service for rural people wishing to visit a larger urban center.

In the United States, the use of the postal bus has not been common. The main examples of postal bus operation are in California: the Mount Lassen

Motor Transit Company and the Kernville Stage and Freight Lines. Both companies carry passengers in addition to mail (Mount Lassen also carries freight) and serves rural areas. Ridership, perhaps reflecting the sparse rural population, is low, with both companies apparently breaking even on passenger transportation.

A major difference between the European use of postal buses and its relative lack of use in the United States appears to be the emphasis given transportation by the respective postal systems. In Europe, the postal systems have been actively involved in passenger transportation as part of providing mail service. In the United States, the Postal Service focus has been almost exclusively on mail and package delivery.

Postal Contract Provisions and Requirements

A recent study by the Pennsylvania Transportation Institute of the Pennsylvania State University found that there are no provisions in the postal system regulations and the carrier contract with the Post Office which restrict or prohibit combining mail delivery with passenger service. There is, however, a requirement that the mail be carried in a secure compartment or area when passengers are carried. As long as this security requirement is followed, there is no other restriction on the transportation of passengers and mail in a vehicle.

Postal routes are contracted for four years unless some change in service occurs during that time. Should an organization be interested in using

postal carriers for passenger transportation, contact should be made with the Regional Management Office of the U.S. Postal Service to determine current contract routes and their renewal times. It may be possible, provided the Postal Service can meet its mail delivery requirements, to redesign postal routes at the contract renewal time to accommodate passenger transportation.[6]

Postal Routes in Cortland and Otsego Counties

Project staff members contacted the Buffalo Regional Transportation Management Office of the U.S. Postal Service to discuss the potential for a combined postal-passenger transportation service. A meeting was held with the Buffalo Regional Office Manager and the Transportation Analyst who designs postal routes for the area covered by the Buffalo office.

Postal Service staff presented a summary of postal contract requirements. They emphasized that there were no postal restrictions on contract carriers transporting passengers provided the vehicle contained a secure area for mail and packages. They further indicated they would be willing to assist in developing and implementing a postal route service that also transported passengers.

Since Cortland and Otsego counties fall primarily within the Buffalo region, the Buffalo staff provided copies of the postal routes in both counties. The statement of service and schedule listed routes, stops, times and daily schedules as well as any route changes for holiday periods.

[6] See Miller and Adams, A Study of the Administrative Feasibility of the Post-Bus for Rural Transportation in Pennsylvania for complete documentation for postal transportation services contract and bid solicitation.

Before exploring the potential use of postal routes in a passenger transportation cooperative, a brief review of postal routes in Cortland and Otsego illustrates both their utility and the possibilities for fitting postal routes with passenger mobility needs of human service agencies.

Cortland Postal Routes---As discussed earlier, Cortland County population is concentrated along the Northwestern quadrant of the county in the Cortland-Homer-McGraw area and its transportation corridors, I-81 and NY13, reflect the population location. Cortland postal routes fan out from Cortland to the Northern, Northeastern, Eastern, Southeastern and South-Central parts of the county. (See figure 10 and table 12).

Recognizing the need for people to go to a populated center for shopping, medical care and to transact activities at county offices, routes 1, 7, 8, 9, 10 and 11 connect the rural parts of the county to Cortland. Several other routes namely 2, 5 and 6, connect rural areas to out-of-county destinations which could also be of use for Cortland county residents.

Otsego Postal Routes---In contrast to Cortland County, Otsego County population is scattered throughout the county, concentrated along the southeastern edge of the county and in the Cooperstown area. While Cooperstown is the county seat, the major population and shopping center is Oneonta. A major transportation corridor within the county is between Cooperstown and Oneonta. (See figure 11 and table 13).

Postal routes in Otsego generally bisect the county along a roughly east-west line. North of a line bounded by the towns of Morris, Laurens,

Figure 10 - Postal Routes in Cortland County, 1984

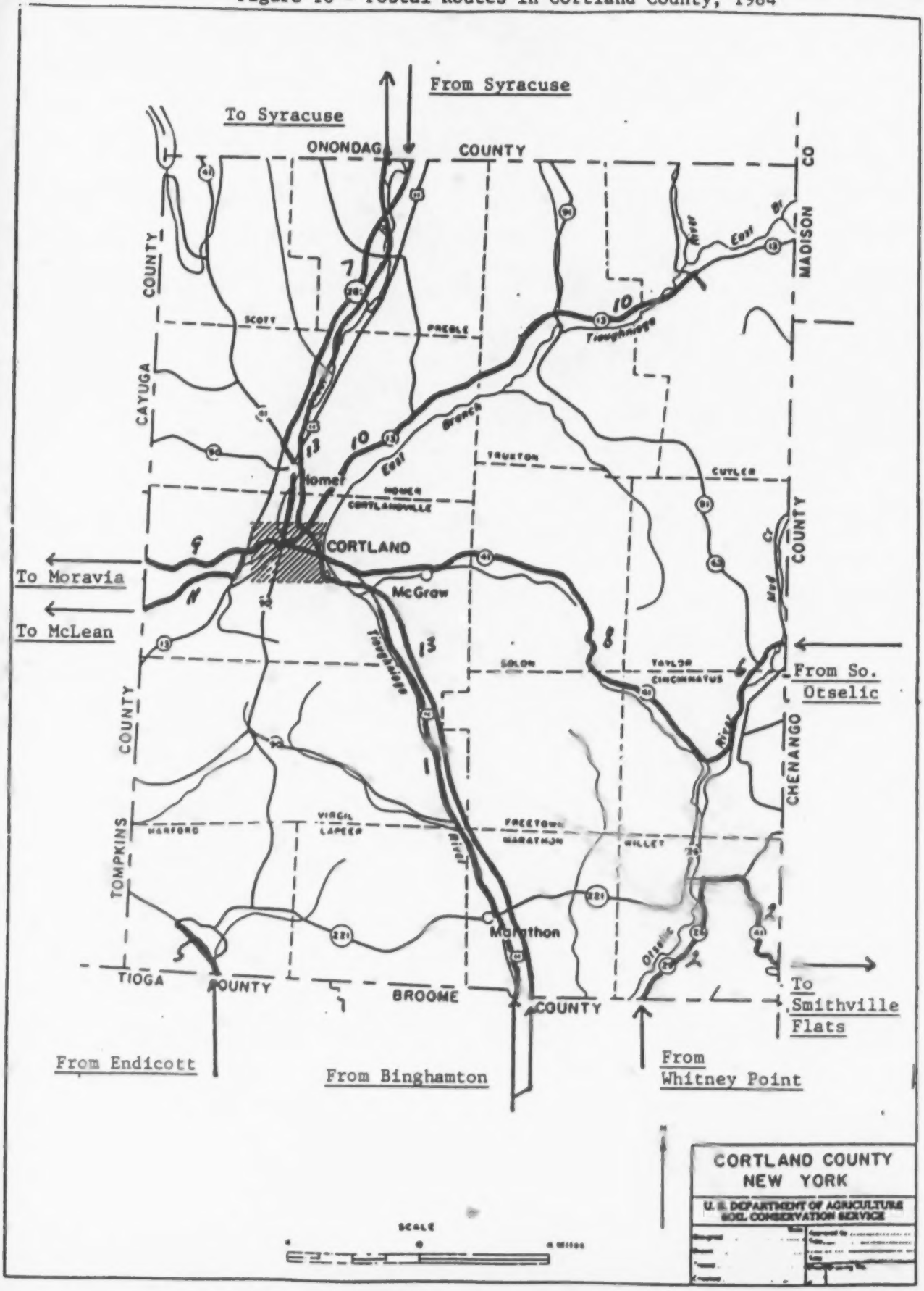

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Table 12 - Postal Routes by Route Number and Points Served, Cortland County, 1984

Route Number	Points Served
1	(Binghamton) Marathon Blodget Mills
2	(Whitney Point) Willet (Smithville Flats)
3	*Owego Whelan Res.
4	*Owego Keeney Res.
5	(Endicott) Harford Mills Harford
6	(South Otselic) Cincinnatus
7	(Syracuse) Preble Little York Homer Cortland
8	Cortland McGraw East Freetown Cincinnatus
9	Cortland (Groton)
10	Cortland East Homer Truxton Cuyler
11	Cortland (Dryden)
12	*Preble Myron Smith Res.
13	(Binghamton) Cortland Cortland (Syracuse)

* Route not designated on county map

( ) Outside county

Figure 11 - Postal Routes in Otsego County, 1984

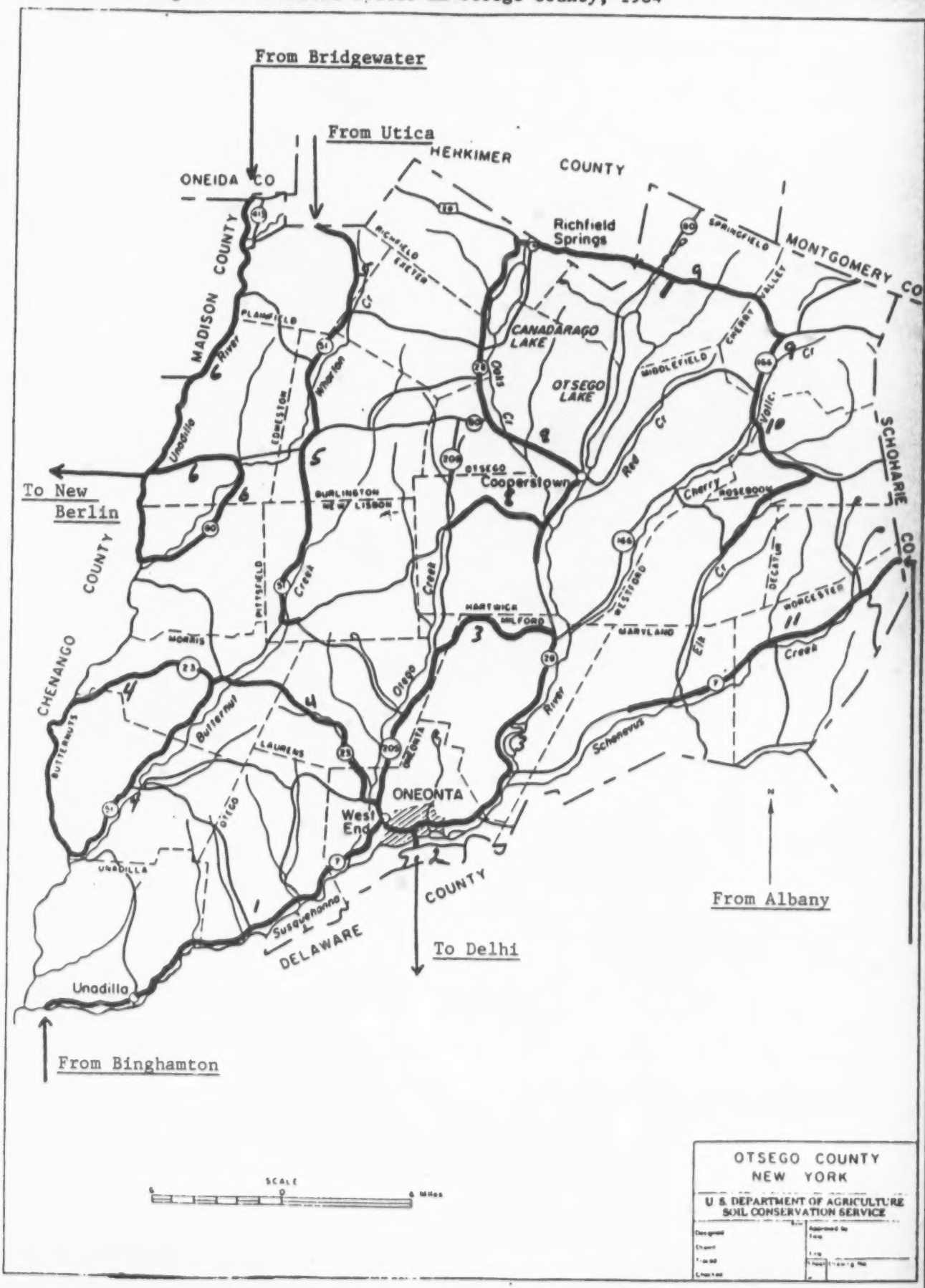

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Table 13 - Postal Routes, by Route Number and Points Served
Otsego County, 1984

Route Number	Points Served
1	(Binghamton)
	Sidney
	Unadilla
	Wellsbridge
	Otsego
	Oneonta
2	Oneonta
	Meredale
	Meredith
	Delhi
3	Oneonta
	Laurens
	Mt. Vision
	Milford
	Portlandville
	Colliersville
	Oneonta
4	Oneonta
	W. Oneonta
	Morris
	S. New Berlin
	Holmesville
	Mt. Upton
	Gilbertsville
	Morris
	W. Oneonta
	Oneonta
5	Utica
	West Exeter
	Burlington Flats
	W. Burlington
	Garratsville
	New Lisbon
6	(Bridgewater)
	West Edmeston
	So. Edmeston
	Edmeston
	(New Berlin)
	(New Berlin)
	Edmeston
7	(Same as #5)
8	(Utica)
	Richfield Springs
	Schuyler Lake
	Fly Creek
	Cooperstown
	Hartwick Seminary
	Hartwick
9	Richfield Springs
	Springfield Springs
	East Springfield
	Cherry Valley
	Roseboom
	Roseboom
10	Roseboom
	Westford
11	(Albany)
	East Worcester
	Worcester
	Schenevus
	Maryland

( ) Outside county

Milford, Maryland and Worcester, postal routes follow a north-south orientation linking with Utica. South of the line, routes lead into Oneonta and connect with Binghamton. One route, in the southeastern edge of the county, goes to Albany.

Routes 3, 4 and 8 appear to be most adaptable for passenger transportation. However, postal routes 9 and 10 in the northwestern rural part of the county could link residents in that area with transportation in Richfield Springs, a larger population center. Links with populated out-of-county destinations are provided by routes 5 and 6.

Review of postal routes in Cortland and Otsego Counties suggests that routes extending into the more isolated rural areas have potential for a combined postal-passenger transportation service. The following section explores that potential and suggests how a coordinated postal-passenger transportation service could be included in the alternative programs discussed earlier in this report.

Potential for Postal-Passenger Transportation Coordination

The potential service and savings opportunities that could accrue from a coordinated postal-passenger transportation service should apply to either of the alternative passenger transportation cooperatives discussed earlier. Those alternatives, namely: consolidated agency transportation cooperative or the community service cooperative could include possible coordination of passenger service with postal service as part of its planning.

Tapping the Postal Transportation Service Resource

Initially a passenger transportation cooperative would need to contact postal contract carriers presently operating in the area to determine potencarrier would be matched with the service needs of people who might be transported to centers along the postal route. Agency appointments for people needing transportation to services could be adjusted to meet the more strictly scheduled postal routes.

Another possibility would be to utilize the off-service period of the postal carrier to provide passenger transportation. Many postal routes require service in the morning and evening with the postal carrier drivers available for other service during the middle of the day. Human service agency clients could be transported to service centers by postal drivers during this period. This should be attractive to the postal drivers as it offers a potential for increased income.

After a passenger transportation cooperative becomes operational, it could also bid for a postal contract. This would help the cooperative to keep its vehicles productively employed and to provide a better income base than would be possible from just passenger transportation.

Advantages and Disadvantages of Postal-Passenger Transportation

Among the several advantages that could be gained from coordinating these two transportation services would be the following:

- Two service programs - postal and human service - could enhance their images in the community by potentially improving client service at reduced cost.

- Vehicles could be better utilized by both service programs through more productive employment and better utilization of hauling capacity.

- Passenger service to remote rural areas, which is not now economically feasible, could be provided if combined with postal service.

- Postal hauling contracts could become more attractive and the service provided at lower cost if combined with passenger transportation.

- A postal service route in rural areas could become the equivalent of a bus route for rural people now denied such service.

Disadvantages in coordinating the two transportation services would include:

- Postal schedules are set and do not allow time for delays or other deviations.

- Passengers would have to go to the post office for pickup since the postal carrier would not stop at individual houses.

- The terminus of a particular postal route may not necessarily be a location where clients of human service agencies need or want to go.

. Postal routes cross county lines. Thus origins and destinations of particular routes could be out of the county which is providing client transportation to a county seat or medical center.

It should be noted that the above disadvantages accrue only to the use of postal routes when the carrier is delivering mail. They do not apply when the carrier transports passengers during the layover period.

BARRIERS TO RURAL PASSENGER TRANSPORTATION COORDINATION

The availability of rural passenger transportation resources was shown in earlier discussions of Cortland and Otsego County transportation programs. Yet those resources may not be utilized to maximum effectiveness due to real or imaginary barriers.

Barriers cited during the study included:

. Regulations of federal programs funding human service transportation prohibit or inhibit inter-agency coordination.

. State and Local Regulations may adversely affect inter-agency coordination on a cooperative basis.

. State laws covering organization and operation of cooperatives limit the potential for human service agencies interested in organizing to coordinate transportation service on a cooperative basis.

. Liability insurance coverage is difficult to obtain when agencies organize to transport each others clients in a cooperative program.

A review and discussion of each of these barriers follow.

Federal Regulations

Most often cited are the barriers to coordination of transportation due to federal, state and local government regulations. As this was frequently cited by human service agency staff during this study, we include here a review of the regulations affecting major federal programs funding transportation in Cortland and Otsego Counties.

The purpose of the review was to pinpoint specific restrictions on the use of funds and/or vehicles which could restrict coordination of transportation services by human service agencies. A listing of the major programs providing transportation in Cortland and Otsego Counties was compiled after interviews had been completed with human service agencies. While additional programs may also provide transportation services in rural counties, the major programs operating in the two study counties are believed to be typical of those functioning in most rural counties.

The specifications for each program were examined in the current catalog of Federal Domestic Assistance. Further program details and performance requirements were reviewed in the Code of Federal Regulations (CFR). Because

many programs follow a standard operating procedure outlined by the Office of Management and Budget (OMB) circulars, the circulars governing procedures for federally funded programs in the two counties were also reviewed.

A summary of the programs reviewed, along with citations and OMB circular numbers is provided in table 14. As many of the procedures governing expenditure of Federal funds are specified by OMB circulars, a listing of the circulars most frequently cited is given in table 15.

Effects on Coordination

Before discussing effects of Federal transportation regulations on coordination, it is helpful to distinguish between funding sources that can be used to provide transportation and the use of equipment purchased with program funds. In the programs reviewed, transportation was an allowable cost since it constituted an essential component of an agency service package. Equipment purchased for use by an agency may or may not have programmatic restrictions placed upon it if used by other agencies.

In determining the feasibility of establishing a passenger transportation cooperative, the availability of program funds that may be used to provide transportation services could be a more decisive feasibility factor than the availability of use-restricted vehicles.

A review of the catalogue of Federal Domestic Assistance and of the Code of Federal Regulations for each program listed in table 15 did not

Table 14 - Federally Funded Human Service Programs Providing Transportation

Agency	Program	Funding Source/ Administrative Division	CFR Citation/ OMB Circular
Community Action Program	Head Start	Health and Human Services - Administration for Children, Youth and Families (HHS-ACYF)	45CFR74; 45CFR1301-1305 OMB Circular A-87 A-21, A-111
	Various income-eligible projects	Appalachian Regional Commission	OMB Circular 102 ARC issued guidelines
	Various income-eligible projects	Community Services Block Grant	HHS approval of state application 45 CFR96
Social Services	Medicaid	Title XIX, HHS - Health Care Financing Administration	OMB Circular 87 45 CFR202
	Child Welfare Services	HHS - Formula Grants	45 CFR1392 OMB Circular 87
	Foster Care	Title IV-E-HHS-ACYF	45 CFR1392 OMB Circular 87
	Social Services	Title XX - Social Services Block Grant - HHS - Office of Human Development Services (OHDS)	Federally mandated services-program emphasis varies by state 45 CFR16, 96
	Assistance Payments Maintenance Assistance (AFDC)	HHS-Social Security Administration	OMB Circular 87 45 CFR200 et seq.
	Work Incentive Program (WIN)	HHS Formula Grants Department of Labor	OMB Circular 87 OMB Circular 102 29 CFR45, 46 45 CFR204, 224, 234
Office for the Aging	Senior Services Programs, Senior Centers	HHS-OHDS, Title III, A&B	OMB Circular 87 OMB Circular 102 45 CFR74, 1320
	Nutrition Services	HHS-OHDS, Title III, C (Formula Grants) 16 (b)(2)	
Association for Retarded Citizens	Basic Support and Advocacy Grants	HHS-OHDS Administration on Developmental Disabilities	OMB Circular 87 OMB Circular 102 45 CFR74
	Special Projects	(Formula Grants)	

TABLE 15

Office of Management and Budget Circulars
Regulating Federal Grant Expenditures

Circular	Title
Circular A-102	Uniform Requirements for Assistance to State and Local Governments
Circular A-87	Principles for Determining Costs Applicable to Grants and Contracts with State, Local, and Federally Recognized Indian Tribal Governments
Circular A-122	Cost Principles for Non-Profit Organizations
Circular A-21	Cost Principles for Educational Institutions
Circular A-111	Jointly Funded Assistance to State and Local Governments and Non-Profit Organizations

uncover any restrictions on the use of funds for transportation. Nor were there any specific restrictions on the coordination of program-related activities among agencies.

Human Service Regulations--Federal regulation 45CFR74 covers the Administration of Grants under the jurisdiction of the Department of Health and Human Services. 45CFR74.137(b) describes conditions for the shared use of vehicles:

> "...if used less than full time in the project or program for which it was originally acquired, the recipient shall make it available for use in other projects or programs currently or previously sponsored by the Federal Government. Provided, such other use will not interfere with the work on the original project or program, first preference for such other use shall be given to other projects or programs sponsored by the same granting agency."

45 CFR 1321 addresses programs for the aging. 45 CFR 1321.171, relating to transportation agreements, states:

> "The area agency (or the State agency in a single planning and service area State) may enter into transportation agreements with agencies which administer programs under the Rehabilitation Act of 1973 and Titles XIX and XX of the Social Security Act to meet the common need for transportation of service participants under the separate programs."

The section goes on to say that: "Agreements entered into under this section are exempt from the requirements of Section 1321.207." The section referred to restricts agencies from delegating "to another agency the authority to award or administer funds under this part." Under the aging programs, transportation is considered of sufficient importance so that agencies can delegate to another agency the awarding or administering of funds.

OMB Circulars--Since the program procedures are governed by OMB circulars, a separate review was conducted of the circulars most frequently listed as program guidelines. Table 15 lists those circulars by number and title.

Two circulars, A-87 and A-102, detail grant requirements for state and local governments. A-102, in outlining uniform requirements, reiterates 45CFR74 in describing shared use of nonexpendable personal property or tangible personal property with a useful life of more than one year and a purchase cost of $300 or more per unit.

> "During the time that nonexpendable personal property is held for use on the project program for which it was acquired, the grantee shall make it available for use on other projects or programs if such other use will not interfere with the work on the program or program for which the property was originally acquired. First preference for such other use shall be given to other projects or programs sponsored by the Federal agency that financed the property; second preference shall be given to projects or programs sponsored by other Federal agencies. If the property is owned by the Federal Government, use on other activities not sponsored by the Federal Government shall be permissible if authorized by the Federal agency. User charges should be considered if appropriate."

Circular A-87 outlines principles for costs applicable to grants and contracts for state, local and Indian Tribal government. Supporting services are defined as those services necessary to maintain a program for those activities providing services to the program, a definition that would appear to include purchase of transportation service.

Direct costs are those that can be identified specifically with a particular cost objective and can be charged directly to grants, contracts or other programs against which costs are ultimately charged.

Typical direct costs chargeable to grant programs include equipment and other approved capital expenditures, items of expense incurred specifically to carry out the grant agreement and services furnished specifically for the grant program by other agencies.

Circulars A-87 and A-102 permit the expenditure of funds for transportation services and for vehicle purchase. They also allow for purchase of transportation service as it relates to implementation of the grant agreement. While not a specific endorsement of transportation coordination, the tone of the circulars indicates that coordination or sharing of resources is desirable.

OMB Circular A-111, Jointly Funded Assistance to State and Local Governments and Non-Profit Organizations, does not specifically address transportation. However, in describing Federal-State Assistance and Agreements, Attachment E states that "It is the purpose of this Attachment ... to encourage Federal-State arrangements under which local government and non-profit organizations may more effectively and efficiently combine Federal and State resources in support of projects of common interest to the governments and organizations concerned." The policy intent of the Joint Funding Simplification Act of 1974

"is to encourage greater Federal-State cooperation in the provision of joint assistance to eligible applicants ... Federal and State agencies participating in joint funding projects are encouraged to examine all possible means to facilitate the provision of joint assistance and ... to establish working agreements related to the specific needs of the individual projects and grantees involved."

Two other circulars - A-122, Cost Principles for Nonprofit Organizations, and A-21, Cost Principles for Educational Institutions - do not discuss transportation services. The definitions of direct and indirect costs, however, do not exclude transportation as an allowable cost provided it can be identified with "a particular award, project, service or other direct activity of an organization."

A further consideration when examining restrictions on coordination are the Block Grant procedures enacted in 1981 with the Budget Reconciliation Act. As noted in table 15, several of the programs derive their funding from Block Grants. Each state electing to participate in a Block Grant needs to submit an application to the Department of Health and Human Services. The state application must satisfy HHS requirements for meeting program needs. States can participate in the programs they select so that each state plan is different. Details on those state plans would need to be obtained from the appropriate state agency, the Governor's Office or the Department of Health and Human Services.

This brief summary of federal human service programs indicates that while there is little specific direction on transportation coordination, general instructions on meeting program objectives through funding of support services and equipment sharing suggest that federal funding provides opportunity for transportation coordination.

In addition to federally funded human service transportation, there is also Section 18, the rural public transportation program initiated to encourage the development of passenger transportation for rural areas.

Section 18 Program Regulations - The Formula Grant Program in areas other than urbanized areas, explicitly recognizes the need for coordination in its regulations. Section 18 regulations require each project to document coordination activities by describing "efforts to coordinate with other transportation providers in the service area, both public and private. A list of all providers must be included." The regulations also require project documentation to include "descriptions of efforts to coordinate with social service agencies in the service area, especially those capable of purchasing service."

Eligible applicants are census-defined non-urbanized counties, Indian Reservations and private companies, transportation authorities and non-profit organizations sponsored by a non-urbanized county or Indian Reservation. In New York, Section 18 grants are being administered at the county level, a procedure that matches a geographic area with a single unit of government responsible for an array of government services.

County human service agencies are requested to cooperate in preparing the Section 18 plan and the county legislature is required to approve the plan before it goes to NYSDOT for review. The application procedure is designed to elicit support from county-level transportation providers as well as the government level responsible for many of those providers. The process encourages a first level cooperation by bringing organizations together to discuss rural transportation as a public policy concern. Aside from the application procedure, the Section 18 program contains certain components which can promote coordination.

The program currently offers capital and operating assistance. New York also allowed funding for a transportation coordinator in the first years of the program. The federal share of the capital assistance and the transportation coordinators (when funded) covers up to eighty percent of the total cost, with the operating assistance covering up to fifty percent of project cost.

The state/local share is fifty percent, with sources including local tax revenue, in-kind services, private donations and foundation grants. In some instances, up to half the local share can be federal soft share, or funds from programs which the federal government has authorized as matching funds for Section 18 monies. Examples of soft share federal programs include the Appalachian Regional Commission, Head Start, Child Welfare Services, Special Programs for the Aging (Title III), Developmental Disabilities - Basic Support and Medicaid (Title XIX).[7]

The Section 18 program, by attempting to coordinate programs and funds, and by requiring local evidence of transportation coordination in its application procedure, explicitly encourages cooperation among transportation providers receiving federal funds.

State and Local Regulations

In addition to federal program regulations, each human service program providing transportation services may also be affected by state regulations.

[7] See NYSDOT, Transit Division, Sources of Matching Funds for Section 18 - Projects in N.Y.S. Albany, NY, n.d.

Each state may administer programs in a different manner while meeting federal guidelines. However, states must also contribute a matching share to many programs in order to meet eligibility criteria.

Because the state contribution(s) may vary, state regulation or control over the programs can also vary. For that reason, an agency or group interested in initiating a passenger transportation cooperative must also review regulations issued by the state to determine whether any coordination/sharing restrictions exist at the state level. Review would take place using the appropriate state program guidelines.

Since New York's regulations may not resemble those of other states, it was determined that a review of state-level regulations would not offer guidelines for other states. Rather, each state's regulations with respect to specific program areas would require a separate review.

An additional factor to consider is whether local governments may also stipulate level of program use permissible at the local level. Since many of the programs listed in table 14 also require a local match, localities have input on program priorities within federal guidelines. The difference in total expenditures on passenger transportation in Cortland and Otsego counties provides a ready example of a difference in local priorities as measured by program expenditures.

Cortland County, with a population of 48,820, spent a total of $422,932 on passenger transportation, while Otsego County, with a population of 59,075,

spent $390,863 on transportation. The per capita expenditure for Cortland County is $8.66 while that for Otsego County amounts to $6.62. While the differences may lie in different levels of funding available to the counties as well as in different programs, interviews conducted in the two counties indicated that different local decisions about transportation priorities accounted for at least some of the difference in the amounts spent on transportation.

Again, as in the discussion on reviewing state regulations, it is advisable for an agency or group interested in establishing a transportation cooperative to interview local transportation providers to evaluate how local priorities shape the provision of transportation services.

State Cooperative Laws

Organizations or agencies interested in establishing a transportation cooperative must also review the state law pertaining to cooperatives.

There is no general federal incorporation statute regulating cooperatives. Rather, each state has enacted a state law governing the formation and operation of cooperatives. All states have general incorporation statutes for cooperatives which may or may not incorporate all the applicable organizational requirements.

For example, the state of New York has a Cooperative Corporations Law which regulates the establishment, structure and procedures of a cooperative.

However, certain provisions of the Not-For-Profit Corporations Law, the Business Corporations Law, the Transportation Law and the Transportation Corporation Law may also apply depending upon the type of cooperative incorporated.

Careful review of the pertinent statutes should precede formal attempts to organize a cooperative. A preliminary staff review of the New York Cooperative Corporations Law indicated that there might be a prohibition against the formation of a cooperative for the purpose of providing passenger transportation to its members.

Subsequent legal analysis of the Cooperative Corporations Law and the relevant sections from other laws found no current statutory prohibitions against the formation of a passenger transportation cooperative. The section which appeared to restrict a transportation cooperative had recently been repealed, thus removing an apparent statutory obstacle.

Insurance Regulations

The difficulty in obtaining adequate coverage for human service passenger transportion at affordable rates was another factor cited as impeding the provision of more adequate transportation service.

A review of passenger transportation literature indicates that in the 1970's, difficulties in obtaining insurance grew for human service agencies as

they increased transportation services. Since many human service transportation programs evolved during the late 1960's and 1970's from meeting client needs, the programs were relatively new service programs for which the insurance industry had little basis for assigning risk categories. As a result, the industry simply rejected applications or rated the human service programs as if they were public transportation or taxis. Subsequent rates were so high they prohibited agencies from obtaining adequate insurance.

By the late 1970's, human service transportation providers recognized the need to create insurance classifications that would reflect actual risk factors and that would also be available and affordable. In response to the insurance needs of the human service agencies, the insurance industry, through the Insurance Services Office (ISO), set up a new insurance classification for such agencies. The classification covers vehicles used by a government unit/public program or a private not-for-profit or civic organization in providing client transportation.

The classification is for liability insurance to cover vehicles owned, contracted to, operated for or leased by the agency/organization. A second classification provides excess liability insurance for both the agency and the vehicle owner when vehicles owned by full or part time agency employees or volunteers are used to transport program clients.

The classification covering human service transportation programs is for liability insurance which covers vehicles owned or leased for a year or more

by a human service agency, vehicles donated to the agency or vehicles hired under contract. Two subcategories within the classification are for 1) drivers who are employees of the agencies and 2) drivers who are volunteers or other.

Where the agency owns the vehicles, the agency requests the classification Social Service Agency Automobiles unless they qualify for a lower cost classification such as a school bus. The rates for the classification fall between rates for school buses and those for city buses. Contractors providing transportation for an agency are eligible for the same rates, if 80 percent of the vehicle use is for agency purposes.

When employees or volunteers are driving private automobiles, the agency can purchase:

1) Nonowned vehicle coverage to protect the agency in case of accident where the employee or volunteer is at fault.

2) Excess liability insurance to protect the employees and the volunteers.

In determining how to provide their clients transportation, agencies need to consider the willingness of employees and volunteers driving their privately owned automobiles to remain the primary insurance holders. In the event of an accident, the insurance carrier of the employee or volunteer would have first responsibility to satisfy the claim. The excess coverage purchased

by the agency would provide additional coverage when the primary insurance coverage is inadequate.

Vehicle eligiblity for the social service agency automobile classification remains broad: it includes automobiles that transport senior citizens to meal centers, handicapped persons to rehabilitation programs, children to day care and boy scouts to planned activities. It includes vehicles used by government units, civic, charitable or social service organizations to provide transportation for clients.

ISO has filed the programs with the state Commissioners of Insurance. Agencies wishing to determine whether their state has approved the ISO programs should contact their State Commissioner of Insurance. The Commissioner would also be able to provide a listing of the insurance companies providing social service agency automobile and excess liability insurance.

OBSERVATIONS AND RECOMMENDATIONS

Based on information developed in this study, we make the following observations and recommendations.

Observations

In the two-county study area:

- There is an indicated unmet need for transportation of rural people to centers for essential services as well as for convenience services.
- Human service agencies are faced with increasing demand for services during a period of reduced public funding.
- Resources required to meet transportation needs of human service agencies appear to be disproportionately high and thus reduce funds available for the agencies to carry out their primary function or mission.
- Most human service agencies view transportation as a "necessary evil" that is essential to providing client service but detracts from staff time needed to provide the primary service of the agency.
- Despite some coordination initiated by human service agencies, there remains a duplication of effort and facilities among the agencies in providing transportation service for clients.
- Supplementary resources are needed to assist the human service agencies in meeting current and increasing demand for transportation services.

- There is community interest in providing, on a volunteer basis, supplementary resources needed by the human service agencies.

- The community service interest of service clubs is a largely untapped resource that could be used in conjunction with human service agency programs to provide needed transportation to present and potential clients of the agencies.

- There is a potential for meshing the delivery routes of rural postal carriers with the client service routes of the human service agencies as a means for reducing transportation costs through cross subsidization.

- Apparent duplication of effort and facilities, need for additional resources to meet increasing transportation demand by human service agencies, declining government funding, and potential for utilizing community volunteer services require consideration of transportation coordination among human service agencies.

- The cooperative form of organization could be an effective, acceptable mechanism for combining the volunteer resources of the community with human service agency resources required for transportation.

- The cooperative form of organization for providing transportation services would permit:

  - The human service agencies to retain their autonomy in providing client services.

- Equitable treatment of agencies' needs as each is an owner-member with equal voting rights.

- Service at cost, allocated on a pro-rata basis according to use.

- Participation by a service club in providing volunteer services as a contribution to operation of the cooperative.

- Progressive development of levels of coordination based on operating experience.

. No statutory or regulatory barriers to coordinating passenger transportation services of human service agencies were identified by the study.

Recommendations

Given the above, two-county profile citing unmet passenger transportation needs, limited resources of the human service agencies, duplication of effort and facilities, need for supplementary resources and the potential for using a cooperative as an organization to ameliorate these diverse conditions, we make the following recommendations.

A demonstration project should be initiated in the two-county area that would permit:

. Detailed analysis of the various transportation coordinating methods discussed in this report combined with an in-depth assessment of human

service agency transportation needs to determine which identified method or combination of methods would best meet the current and unmet needs of a study county in providing passenger transportation services for the disadvantaged.

. Development of an implementation plan and schedule, based on the above analysis, that would provide a blueprint for human service agencies, service clubs and interested individuals for determining whether to:

- gradually phase-in passenger transportation coordination on a cooperative basis utilizing one or more of the informal types discussed in this report, namely: cooperative clearinghouse, administrative cooperative, cooperative for vehicle maintenance and repair, cooperative fleet purchase or a combination of all.

- organize and set-up a formal cooperative association sponsored by the human service agencies or an association sponsored by a service club. The authors and several human service staff members would recommend that consideration be given to a cooperative that would be jointly sponsored and incorporate the strengths and advantages of a combined human service-service club membership.

. Evaluation and comparative cost analysis of coordinating rural postal service routes with passenger service routes to determine service potential and cost effectiveness. Such evaluation and

analysis would include an assessment of how the postal service program could complement the services to be provided by the cooperative association recommended for implementation.

If a determination is made that a demonstration project should be initiated and funding is made available for a feasibility study, we recommend that the New York State Department of Transportation be given primary responsibility for conducting the study. The agency has the statutory authority and staff experience to make the analyses required to determine potential for the alternatives recommended above.

We also recommend that the New York State Department of Agriculture and Markets serve in an advisory capacity on any demonstration project study. As the state agency charged with responsibility for rural quality of life issues, the Department has a continuing interest in improving the use of resources to improve rural services.

Also, as lead agency on the Governor's Task Force on Rural Development, the Department is concerned that the alternatives developed by this study be evaluated and the interest in further study as expressed by local officials in the two study counties be considered.

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The following bibliography provides a selection of materials of use to a community deciding to develop a local transportation system. It is not intended to be a comprehensive listing, but rather presents basic concepts in rural transit. If a locality wishes to implement a system, their state or regional transportation department would be able to provide further information as well as technical assistance.

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CORTLAND COUNTY

HUMAN SERVICE AGENCY

TRANSPORTATION QUESTIONNAIRE

1. Agency Name: _____

   Address: _____

   _____

   Telephone Number: _____

   Contact Person: _____

   Your Name: _____

2. What service(s) does your agency provide?

   _____

   _____

3. What is the total NUMBER of Cortland County residents eligible to receive your services? _____

4. What percentage of the above eligible county residents are currently receiving either partially or totally, the services your agency provides?

   _____

5. Please indicate the number of clients receiving your services by town and by frequency of service:

	Daily	Weekly	Annually
Cincinnatus	____	____	____
Cortlandville	____	____	____
Cuyler	____	____	____
Freetown	____	____	____
Harford	____	____	____
Homer	____	____	____
Lapeer	____	____	____
Marathon	____	____	____
Preble	____	____	____
Scott	____	____	____
Solon	____	____	____
Taylor	____	____	____
Truxton	____	____	____
Virgil	____	____	____
Willet	____	____	____

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6. Does your agency provide for any form of transportation service?

Yes _____ No _____

7. If you answered yes to question 6, please indicate the means of transportation your clients use to avail themselves of those services.

a. Agency transportation ..... _____%

b. Personal, private transportation ..... _____

c. Public transportation ..... _____

d. Other agency (specify) ..... _____

_____

e. Other (neighbor, etc.) (specify) ..... _____

_____

100%

8. Of your clients who use public transportation, as identified in question #7, what percentage use each of the following modes?

a. Dial-a-Bus ..... _____%

b. Bus service (Greyhound, etc.) ..... _____

c. Taxi ..... _____

d. Other (specify) ..... _____

_____

100%

9. Please indicate the total number of passengers your agency transports:

daily _____

weekly _____

annually _____

10. Of your clients, please denote the one-way travel distance they must travel to avail themselves of your services (percentage).

a. less than 10 miles _____

b. 10-25 miles _____

c. 26-35 miles _____

d. greater than 35 miles _____

11. If your agency owns and/or operates vehicles to provide client transportation service(s), please complete the following:

Vehicle(s)	Number	Seating/Standing capacity	Daily hours of operation
a. bus	_____	_____	_____
b. van	_____	_____	_____
c. Agency-owned auto	_____	_____	_____
d. Staff-private auto	_____	_____	_____

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12. Please indicate total miles traveled by agency-owned and/or operated vehicles.

daily _____

weekly _____

annually _____

13. Is the use of your transportation services restricted for any or all of the following reasons? Please indicate.

a. agency insurance coverage _____

b. federal program or funding guidelines* (Specify) _____

_____

c. state program or funding guidelines* (Specify) _____

_____

d. local program or funding guidelines* (Specify) _____

_____

e. other restrictions or limitations (describe any factors which may prevent your agency from providing transportation service(s) 52 weeks a year).

_____

* Please attach a copy of the guidelines, if available.

14. What Federal/State/Local private programs support your agency's transportation service?

Name of Program	For Purchase of Transportation Equipment	For Operating Purposes
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____

15. What is the total annual operating expense your agency incurs to provide your clients transportation service?

Total $_____

Administrative cost $_____

Operational expense _____

Maintenance _____

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Comments:

Do you feel that your agency could benefit through a cooperative arrangement with other transportation providers in Cortland County? If yes, please describe how your organization and/or the residents of Cortland County could benefit. If possible, identify specific locations or population groups that may benefit from expanded service.

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BY-LAWS

of

ARTICLE I

Name, Seal, and Offices

1. Name. The name of this corporation is , INC.

2. Seal. The seal of the corporation shall be circular in form and shall bear on its outer edge the words " , Inc." and in the center, the words and figures "Corporate Seal 19 New York." The Board of Directors may change the form of the seal or the inscription thereon at pleasure.

3. Offices. The principal office of the corporation shall be in the Town of , County of , New York. The corporation may also have offices at such other places as the Board of Directors may from time to time appoint or the purposes of the corporation may require.

ARTICLE II

Members

1. Membership. Membership shall consist of such person or persons as the Board of Directors may elect, by a vote of a majority of the Directors, at any annual or special meeting of the Board of Directors. Each candidate for membership in the corporation shall submit an application to the corporation's Secretary detailing such qualifications as may be required pursuant to these By-Laws. At the first annual or special meeting of the Board of Directors following receipt of such application, the Directors shall study and vote for its approval or rejection.

2. Eligibility. Membership shall be open to all corporations, public agencies, private agencies, associations and individuals which (i) provide transportation services by public and private carrier, or (ii) provide transportation vehicles for use by the corporation in carrying out its corporate purposes.

3. Classes of Membership. There shall be classes of membership:

(a) Purchasing members, which shall be those corporations, associations, agencies or individuals which provide transportation services on behalf of the corporation but which do not own or lease transportation vehicles used by or for the benefit of the corporation; and

(b) Service providing members, which shall be those corporations, associations, agencies or individuals which furnish transportation vehicles for use by or for the benefit of the corporation in achieving its corporate purposes.

4. Board of Directors. The authority of the corporation shall vest in the Board of Directors, which shall be elected by vote of the members.

5. Annual Meeting. The annual meeting of the membership shall be held at the principal office of the corporation or at such other place designated in the notice of the meeting during the month of April for the transaction of such business as may properly come before the meeting.

6. Notice of Annual Meeting. Notice of the time, place and purpose or purposes of the annual meeting shall be served, either personally or by mail, not less than ten or more than forty days before the meeting upon each person who appears upon the books of the corporation as a member and, if mailed, such notice shall be directed to the member at his address as it appears on the books of the corporation, unless he shall have filed with the Secretary of the corporation a written request that notices intended for him be mailed to some other address, in which case it shall be mailed to the address designated in such request.

7. Special Meetings. Special meetings of the membership, other than those regulated by statute, may be called at any time by the Board of Directors and must be called by the President or Secretary on receipt of the written request of one-third of the members of the corporation.

8. Notice of Special Meetings. Notice of a special meeting stating the time, place and purpose or purposes thereof shall be served personally or by mail upon each member, not less than five nor more than forty days before such meeting and, if mailed, such notice shall be directed to the member at his address as it appears on the books or records of the corporation, unless he shall have filed with the Secretary of the corporation a written request that notices intended for him be mailed to some other address, in which case it shall be mailed to the address designated in such request.

9. Waiver of Notice. Notice of any regular or special meeting of the membership need not be given to any member who shall, either before

or after the meeting, submit a signed waiver of notice or who shall attend such meeting without protesting, prior to or at its commencement, the lack of notice to him.

10. Quorum. At all meetings of the membership, the presence of a majority of the voting members in person or by proxy shall be necessary to constitute a quorum of all purposes except as other provided by law. The act of a majority of each class of the voting members present at any meeting at which there is a quorum shall be the act of the full membership except as may be otherwise specifically provided by statute or by these by-laws. In the absence of a quorum, or when a quorum is present, a meeting may be adjourned from time to time by vote of a majority of each class of the voting members present in person or by proxy, without notice other than by announcement at the meeting and without further notice to any absent member. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

11. Voting. Each member of the corporation shall be entitled to one vote. All voting shall be by voice vote, however, the Chairman may determine when a vote shall be cast by secret ballot. At every meeting of the membership, each voting member shall be entitled to vote in person, or by proxy duly appointed by instrument in writing which is subscribed by such member and which bears a date not more than eleven months prior to such meeting, unless such instrument provided for a longer period. Except as otherwise provided in the Certificate of Incorporation or these by-laws, all elections shall be had and all questions decided by a majority vote of each class of the voting members present in person or by proxy.

12. Inspectors of Election. The members may at each annual meeting elect or appoint two persons (who need not be members) to serve until the next annual meeting as inspectors of election, and if any inspector shall refuse to serve or shall not be present, the members may appoint an inspector in his place.

13. Chairman. At all meetings of the membership, the President or Vice President, or in their absence, a chairman chosen by the voting members present, shall preside.

14. Removal of Members. Any member may be removed from membership by the affirmative vote of two-thirds of the members of each class entitled to vote thereon, registered either in person or by proxy, at any regular or special meeting of the membership called for that purpose, for conduct detrimental to the interests of the corporation, for lack of sympathy with its objectives, or for refusal to render reasonable assistance in carrying out its purposes. Any such member proposed to be removed shall be entitled to at least five days notice in writing by mail of the meeting at which such removal is to be voted upon and shall be entitled to appear before and be heard at such meeting.

15. Compensation and Expenses. Members shall not receive any stated salary for their services as such, but by resolution of the Board of Directors, a fixed reasonable sum for expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the members. The Board of Directors shall have power in its discretion to contract for and to pay to members rendering unusual or special services to the corporation special compensation appropriate to the value of such services.

ARTICLE III

Directors

1. Election. The business and property of the corporation shall be managed and controlled by a Board of Directors. The initial Board of Directors of the corporation shall consist of those persons named in the corporation's Certificate of Incorporation filed with the Secretary of the State of New York.

2. Eligibility. A person who is an officer, director, owner or designee of a service providing members and the Chairperson and Vice Chairperson of the Standing Advisory Committee are the members of the Board of Directors. In addition, the Board by 2/3 vote may elect at large Directors of the Board, however, the total number of at large Directors, Chairpersons and Vice Chairpersons may not exceed the total number of service providing Directors.

3. Number. The number of Directors of the corporation shall not be less than seven.

4. Resignation. Any Director may resign at any time by giving written notice of such resignation to the Board of Directors.

5. Vacancies. Any vacancy in the Board of Directors occurring during the year may be filled by a majority vote of the remaining Directors at a regular meeting of the Directors held any time after the occurrence of the vacancy.

6. Executive Director. In addition to Directors, the President of the corporation or any other person designated by the Board of Directors shall occupy one seat on the Board as Executive Director but shall not be entitled to vote on any matter before the Board.

7. Annual Meetings. The annual meeting of the Board of Directors for the election of Officers and for the transaction of other business shall be held during the month of of each year at the principal offices of the corporation or at such other place designated in the notice of the meeting.

8. Special Meetings. Special meetings of the Board of Directors may be called by the President or Vice President and must be called by either of them on the written request of any member of the Board.

9. Notice of Meetings. Notice of all Directors' meetings, except as herein otherwise provided, shall be given by mailing the same at least three days or by telegraphing the same at least one day before the meeting to the usual business or residence address of the Director, but such notice may be waived by any Director. Regular meetings of the Board of Directors may be held without notice at such time and place as shall be determined by the Board. Any business may be transacted at any Directors' meeting. At any meeting at which every Director shall be present, even though without any notice or waiver thereof, any business may be transacted.

10. Voting. At every meeting of Directors each Director shall be entitled to vote in person, or by proxy duly appointed by instrument in writing which is subscribed by such Director and which bears a date not more than one month prior to such meeting, unless such instrument provided for a longer period. Each Director of the corporation shall be entitled to one vote. Upon the demand of any Director, the vote upon any question before the meeting, shall be by secret ballot. All elections shall be had and all questions decided by a majority vote.

11. Consent Without a Meeting. Any action required or permitted to be taken by the Board of Directors or any Committee thereof may be taken without a meeting if all members of the Board or the Committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto shall be filed with the minutes of the proceedings of the Board or the Committee.

12. Participation Without Physical Presence. Any one or more members of the Board or any Committee thereof may participate in a meeting of such Board or Committee by means of a conference telephone or similar communication equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

13. Chairman. At all meetings of the Board of Directors the President or Vice President, or in their absence a chairman chosen by the Directors present, shall preside.

14. Quorum. At all meetings of the Board of Directors the presence of a majority of Directors, in person or by proxy, shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a majority of Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by these by-laws. If at any meeting there is less than a

quorum present, a majority of those present may adjourn the meeting to some future time, and may take such other and further action as is provided in these by-laws.

15. Contracts and Services. The Directors and Officers of the corporation may be interested directly or indirectly in any contract relating to or incidental to the operations conducted by the corporation, and may freely make contracts, enter transactions, or otherwise act for and on behalf of the corporation, notwithstanding that they may also be acting as individuals, or as trustees of trusts, or as agents for other persons or corporations, or may be interested in the same matters as Directors, Officers or otherwise; provided, however, that any contract, transaction, or act on behalf of the corporation in a matter in which the Directors or Officers are personally interested as Directors, Officers, or otherwise, shall be at arm's length and not violative of the proscriptions in the Certificate of Incorporation if such contract, transaction, or act is a prohibited transaction or would result in the denial of the tax exemption under Section 503 or Section 504 of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended. In no event, however, shall any person or other entity dealing with the Directors or Officers be obligated to inquire into the authority of the Directors or Officers to enter into and consummate any contract, transaction, or other action.

16. Compensation. Directors shall not receive any stated salary for their services as such, but by resolution of the Board at a fixed reasonable sum or reimbursement for expenses of attendance, if any, or both, may be allowed for attendance at each regular or special meeting of the Board. The Board of Directors shall have power in its discretion to contract for and to pay to Directors rendering unusual or exceptional services to the corporation special compensation appropriate to the value of such services.

17. Powers. All the corporate power, except such as are otherwise provided for in these by-laws and in the laws of the State of New York, shall be and are hereby vested in and shall be exercised by the Board of Directors. The Board of Directors may by general resolution delegate to Committees of their own number, or to Officers of the corporation, such powers as they may see fit.

18. Duties. The Board of Directors, pursuant to Section 519 of the Not-For-Profit Corporation Law, shall direct the President and Treasurer to present at the annual meeting of the membership and file with the minutes thereof a report, verified by the President and Treasurer, or by a majority of the Directors, showing (a) the assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year; (b) the principal changes in assets and liabilities, including trust funds, during the fiscal year immediately preceding the date of the report; (c) the revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year immediately

preceding the date of the report, and (d) the expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year immediately preceding the date of the report.

19. Removal of Directors. Any Director may be removed from office by the affirmative vote of two-thirds of the members, registered either in person or by proxy, at any regular or special meeting of the members called for that purpose, for conduct detrimental to the interests of the corporation, for lack of sympathy with its objectives.

ARTICLE IV

Officers

1. Number. The Officers of the corporation shall be the President, Vice President, Secretary, Assistant Secretary, Treasurer, and such other Officers with such powers and duties not inconsistent with these by-laws as may be appointed and determined by the Board of Directors. Any two offices, except those of President and Secretary (or Assistant Secretary), may be held by the same person.

2. Election, Term of Office, and Qualifications. The Officers shall be elected by the Board of Directors from among such persons as the Board of Directors may see fit at the next annual or special meeting of the Board of Directors which follows the end of such term of office. The Officers shall each have a term of office of one year, subject to removal by the Board of Directors or by the members in accordance with these by-laws.

3. Vacancies. In case any office of the corporation becomes vacant by death, resignation, retirement, disqualifications, or any other cause, the majority of the Directors then in office, even if less than a quorum, may elect an Officer to fill such vacancy, and the Officer so elected shall hold office and serve until the annual meeting of the Board of Directors next succeeding and until the election of and qualification of his successor.

4. President. The President shall preside at all meetings of the members and Board of Directors. He shall have and exercise general charge and supervision of the affairs of the corporation and shall do and perform such other duties as may be assigned to him by the Board of Directors.

5. Vice President. At the request of the President, or in the event of his absence or disability, the Vice-President shall perform the duties and possess and exercise the powers of the President; and to the extent authorized by law the Vice President shall have such other powers as the Board of Directors may determine, and shall perform such other duties as may be assigned to him by the Board of Directors.

6. Secretary. The Secretary, or his agent authorized by the Board of Directors, shall have charge of such books, documents, and papers as the Board of Directors may determine and shall have the custody of the corporate seal. He, or his agent, shall attend and keep the minutes of all the meetings of the Board of Directors. He shall keep a record, containing the names, alphabetically arranged, of all persons who are Directors, showing their places of residence, and such book shall be open for inspection as prescribed by law. He may sign with the President or Vice President, in the name and on behalf of the corporation, any contracts or agreements authorized by the Board of Directors, and when so authorized or ordered by the Board of Directors, he may affix the seal of the corporation. He shall, in general, perform all the duties incident to the office of Secretary, subject to the control of the Board of Directors, and shall do and perform such other duties as may be assigned to him by the Board of Directors.

7. Assistant Secretary. The Assistant Secretary shall, in the absence of the Secretary or in the event of his disability and at such other times as may be authorized by the Board of Directors, perform the duties and possess and exercise the powers of the Secretary as described in Section 6 above; and to the extent authorized by law, the Assistant Secretary shall have such other powers as the Board of Directors may determine, and shall perform such other duties as may be assigned to him by the Board of Directors.

8. Treasurer. The Treasurer, or his agent authorized by the Board of Directors, shall have the custody of all funds, property, and securities of the corporation, subject to such regulations as may be imposed by the Board of Directors. He may be required to give bond for the faithful performance of his duties, in such sum and with such sureties as the Board of Directors may require. When necessary or proper, he or his agent, may endorse on behalf of the corporation for collection, checks, notes, and other obligations, and shall deposit the same to the credit of the corporation at such bank or banks or depository as the Board of Directors may designate. He shall sign all receipts and vouchers and, together with the Executive Director or such other Officer or Officers, if any, as shall be designated by the Board of Directors, he shall sign all checks of the corporation and all bills of exchange and promissory notes issued by the corporation, except in cases where the signing and execution thereof shall be expressly designated by the Board of Directors or by these by-laws to some other Officer or agent of the corporation. He shall make such payments as may be necessary or proper to be made on behalf of the coporation. He shall enter regularly on the books of the corporation to be kept by him for the purpose, full and accurate account of all moneys and obligations received and paid or incurred by him for or on the account of the corporation, and shall exhibit such books at all reasonable times to any Director on application at the offices of the corporation. He shall present at all meetings of the members, a verification of the balance in all bank accounts. He shall, in general, perform all the duties incident to the office of Treasurer, subject to the control of the Board of Directors.

9. Removal. Any Officer may be removed from office by the affirmative vote of two-thirds of the members entitled to vote thereon, or by the affirmative vote of a majority of Directors, at any regular or special meeting called for that purpose, for nonfeasance, malfeasance, or misfeasance, for conduct detrimental to the interests of the corporation, for lack of sympathy with its purposes. Any Officer proposed to be removed shall be entitled to at least five days notice in writing by mail of the meeting of the members or Board of Directors at which such removal is to be voted upon and shall be entitled to appear before and be heard by the members or Board of Directors, as the case may be, at such meeting.

ARTICLE V

Agents and Representatives

The Board of Directors may appoint such agents and representatives of the corporation with such powers and to perform such acts or duties on behalf of the corporation as the Board of Directors may see fit, so far as may be consistent with these by-laws, to the extent authorized or permitted by law.

ARTICLE VI

Contracts

The Board of Directors, except as in these by-laws otherwise provided, may authorize any Officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to a specific instance; and unless so authorized by the Board of Directors, no Officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement, or to pledge its credit, or render it liable pecuniarily for any purpose or to any amount.

ARTICLE VII

Advisory Committee

The Board of Directors will appoint from their number, or from among such persons as the Board may see fit, standing and may appoint

one or more Ad Hoc Advisory Committees, and at any time may appoint additional members thereto. The members of any such Committee shall serve during the pleasure of the Board of Directors. Such Advisory Committees shall advise with and aid the Officers of the corporation in all matters designated by the Board of Directors. Each such Committee may, subject to the approval of the Board of Directors, prescribe rules and regulations for the call and conduct of meetings of the Committee and other matters relating to its procedure.

The members of any Advisory Committee shall not receive any stated salary for their services as such, but by resolution of the Board of Directors, a fixed reasonable sum or reimbursement for expenses of attendance, if any, or both, may be allowed for attendance at each regular or special meeting of such Committee. The Board of Directors shall have the power in its discretion to contract for and to pay to any member of an Advisory Committee, rendering unusual or exceptional services to the corporation, special compensation appropriate to the value of such services.

ARTICLE VIII

Voting Upon Stock of Other Corporations

Unless otherwise ordered by the Board of Directors, the President shall have full power and authority on behalf of the corporation to vote either in person or by proxy at any meeting of stockholders of any corporation in which this corporation may hold stock, and at any such meeting may possess and exercise all of the rights and powers incident to the ownership of such stock which, as the owner thereof, this corporation might have possessed and exercised if present. The Board of Directors may confer like powers upon any other person and may revoke any such powers as granted at its pleasure.

ARTICLE IX

Fiscal Year

Initially, the fiscal year of the corporation shall commence on the day of its incorporation and end on , 19 . Thereafter, the fiscal year shall commence on of each year and end on .

ARTICLE X

Prohibition Against Sharing in Corporate Earnings

No Member, Director, Officer, or employee of or member of a Committee of or person connected with the corporation, or any other private individual shall receive at any time any of the net earnings or pecuniary profit from the operations of the corporation, provided, that this shall not prevent the payment to any such person of such reasonable compensation for services rendered to or for the corporation in effecting any of its purposes as shall be fixed by the Board of Directors; and no such person or persons shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the corporation. All Directors of the corporation shall be deemed to have expressly consented and agreed that upon such dissolution or winding up of the affairs of the corporation, whether voluntary or involuntary, the assets of the corporation, after all debts have been satisfied, then remaining in the hands of the Board of Directors, shall be distributed, transferred, conveyed, delivered, and paid over, in such amounts as the Board of Directors may determine or as may be determined by a court of competent jurisdiction upon application of the Board of Directors, exclusively to charitable organizations which would then qualify under the provisions of Section 501 (c)(3) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended.

ARTICLE XI

Investments

The corporation shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment of the Board of Directors, without being restricted to the class of investments which a trustee is or may hereafter be permitted by law to make or any similar restriction, provided, however, that no action shall be taken by or on behalf of the corporation, if such action is aprohibited transaction or would result in the denial of the tax exemption under Section 503 or Section 504 of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended.

ARTICLE XII

Amendments

The members shall have power to make, alter, amend, and repeal the by-laws of the corporation by affirmative vote of two-thirds of each class of the members entitled to vote thereon.

The Board of Directors shall have power to make, alter, amend and repeal the by-laws of the corporation by affirmative vote of two-thirds of Directors, provided, however, that the action is proposed and adopted at a regular or special meeting of the Board.

ARTICLE XIII

Exempt Activities

Notwithstanding any other provision of these by-laws, no Director, Officer, employee, or representative of this corporation shall take any action or carry on any activity by or on behalf of the corporation not permitted to be taken or carried on by an organization exempt under Section 501 (c)(3) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended, or by an organization contributions to which are deductible under Section 170 (c)(2) of such Code and Regulations as they now exist or as they may hereafter be amended.

ARTICLE XIV

Dissolution

The Board of Directors shall have the power to adopt by affirmative vote of a majority of the Directors a plan for the dissolution of the corporation and the distribution of assets. Following such adoption, the plan shall be submitted to the members at a special meeting called for such purpose, and approval shall be by affirmative vote of two-thirds of each class of the members of the corporation entitled to vote thereon.

The members of the corporation shall have the power to dissolve the corporation, without prior adoption of a plan of dissolution by the Board of Directors, by affirmative vote of two-thirds of each class the members of the corporation entitled to vote thereon.

CERTIFICATE OF INCORPORATION

OF

Pursuant to Section 402 of the Not For Profit Corporation Law

The undersigned, being over the age of eighteen (18) years, under Section 402 of the Not For Profit Corporation Law of the State of New York, does hereby set forth:

FIRST: The name of the Corporation is:

SECOND: The purposes for which it is to be formed are to do any and all of the things hereafter set forth to the same extent as natural persons might or could do in any part of the world; namely:

To coordinate and/or consolidate resources that are available for the transport of persons in order to improve the levels of transportation service available to all individuals; to improve the cost effectiveness and efficiency of existing transportation services; to eliminate duplication of services; and to provide for the better utlization of vehicles, maintenance and/or storage facilities, capital equipment, personnel and funds.

To provide an information and referral service to meet the basic mobility needs of the residents of , New York.

To engage in other activities designed to encourage the coordination/consolidation of available transportation resources, including but not limited to monies, vehicles, facilities and personnel.

To provide transportation as a contract or common carrier on a not-for-profit basis for residents of , and charge a fee for such transportation, with service orientation to individuals who are transportation disadvantaged, i.e., persons who by reason of individual economic, physical, mental or other disadvantages, do not own, have access to or cannot drive an automobile.

THIRD: As a means of accomplishing its corporate purposes, the Corporation shall have the power:

To own, establish, lease, buy or otherwise acquire, sell, exchange, transfer, assign or otherwise dispose of, maintain, operate or otherwise manage separately or in combination, air, land and water transportation lines, systems, routes and services.

To enter into contracts with local governments, public agents, and private operators and organizations for activities in furtherance of the Corporation's purposes, including the purchasing of transportation service and the performance of administrative, financial, purchasing, marketing, maintenance, dispatching, insurance and other related functions.

To receive and disburse monies, where necessary to accomplish the Corporation's purposes.

To assume control over the daily dispatching, routing, and scheduling of vehicles that provide transportation.

To enter into, make, perform and carry out contracts of every sort and kind which may be necessary or convenient for the business of the Corporation or business of a similar nature, with any person, firm, corporation, private, public or municipal body politic under the government of the United States or any state, territory or colony thereof, or any foreign government, so far as and to the same extent that the same may be done and performed by corporations organized under the Not-For-Profit Corporation Law.

To do all and everything necessary, suitable or proper for the accomplishment of any of the purposes, the attainment of any of the objects or the furtherance of any of the powers hereinabove set forth, either alone or in conjunction with other corporations, firms or individuals and either as principals or agents, and to do every other act or acts, thing or things, incidental or appurtenant to or growing out of or connected with the aforesaid objects, purposes or powers of any of them.

This foregoing enumeration of specific powers shall not be deemed to limit or restrict in any manner the general powers of the Corporation, and the enjoyment of and exercise thereof, as conferred by the laws of the State of New York upon corporations organized under the provisions of the Not-For-Profit Corporation Law.

FOURTH: No part of the net earnings of the Corporation shall inure to the benefit or be distributable to any director, officer or other private person (except that reasonable compensation may be paid for services rendered to or for the Corporation and otherwise in furtherance of the purposes set forth in Paragraph "SECOND" above).

No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidates for public office.

Notwithstanding any other provision of this Certificate, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

No director or officer of the Corporation, or any private individual, shall be entitled to share in the distribution of any of the corporate assets upon dissolution of the Corporation.

Upon the dissolution of the Corporation or the winding up of its affairs, the assets of the Corporation shall be distributed exclusively to charitable organizations which would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code and its Regulations (or the corresponding provisions of any future United States Internal Revenue Law).

FIFTH: The Corporation is a corporation as defined in subparagraph (a)(5) of Section 102 of the Not-For-Profit Corporation Law of New York and is a Type corporation. The lawful public or quasi-public objective which each business purpose of the Corporation will achieve is as follows:

(a) The improvement of efficiency, cost effectiveness and better utilization of capital and services in public transportation; and

(b) The provision of public transportation services on a not-for-profit basis, focusing on transportation needs of the disadvantaged.

SIXTH: The office of the Corporation shall be located in the of , County of and State of New York.

SEVENTH: The territory in which its operations are to be conducted as the , State of New York, but its operations shall not be limited to such territory.

EIGHTH: The names and residences of the directors until the first annual meeting are:

Name	Address

NINTH: The Secretary of State of the State of New York is designated as the agent of the Corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the Corporation served upon him is:

TENTH: The subscriber to this Certificate is of the age of eighteen (18) years or over.

ELEVENTH: Prior to the delivery of this Certificate to the Department of State for filing, the required approval of a Justice of the Supreme Court for the Judicial District shall have been annexed to this Certificate.

IN WITNESS WHEREOF, this Certificate has been signed by the subscriber this day of

_____

Name of Incorporator:

Address of Incorporator is:

STATE OF NEW YORK)
) ss.:
COUNTY OF)

On this day of , , before me personally came ,
to me known and known to me to be the same person described in and who executed the foregoing Certificate of Incorporation; and he duly acknowledged to me that he executed the same.

_____

Notary Public

I, , a Justice of the Supreme Court of the Judicial District, do hereby approve the foregoing Certificate of Incorporation and consent that the same be filed.

Dated:

_____

Justice of the Supreme Court

SUPREME COURT OF THE STATE OF NEW YORK

In the Matter of the Application for Approval of the Certificate of Incorporation of

NOTICE OF APPLICATON

a corporation to be formed pursuant to Section 402 of the Not-for-Profit Corporation Law of the State of New York.

TO THE ATTORNEY GENERAL OF THE STATE OF NEW YORK

PLEASE TAKE NOTICE that the annexed Certificate of Incorporation will be presented to a Justice of the Supreme Court of the State of New York for his approval on the day of , , at o'clock in the forenoon of that day, at a Special Term of that Court located in the , County of , State of New York.

PLEASE TAKE FURTHER NOTICE that said Certificate of Incorporation of , for which approval is sought, complies with Subparagraph (a)(5) of Section 102 of the Not-For-Profit Corporation Law and specifies among its purposes one or more of those contained in Section 201 (Type) of the Not-For-Profit Corporation Law.

Dated:

TO: Assistant Attorney General
of New York
Department of Law
Empire State Plaza
Justice Building
Albany, New York 12223